



## **RETIREMENT BOARD AGENDA**

Friday September 7, 2018

*Black Eyed Susan Room*

9:00am-10:45am

- |      |  |               |
|------|--|---------------|
| I.   | Approval of Regular Minutes June 1, 2018<br><b>Attachment(s):</b> Staff Memo   | (9:00-9:05)   |
| II.  | RFP for Combined Defined Benefit and Deferred Compensation Plans<br><b>Attachment(s):</b> Staff Memo   | (9:05-9:15)   |
| III. | Investment Performance Review quarter end June 30, 2018<br><b>Attachment(s):</b> Analysis of Investment Performance<br>Pension Fund, Thrift Plan, Retiree Benefit<br>Trust, and 457<br>Presented by Segal Marco Advisors | (9:15-10:15)  |
| IV.  | Plan Access<br><b>Attachment(s):</b> Staff Memo  | (10:15-10:30) |
| V.   | Future Agendas<br><b>Attachment(s):</b> Staff Memo   | (10:30-10:45) |

**NEXT MEETING DATE: NOVEMBER 30, 2018**

**RETIRMENT BOARD MEETING  
SEPTEMBER 7, 2018**

**AGENDA ITEM I**

**APPROVAL OF MINUTES**



## MEMORANDUM

September 7, 2018

TO: Retirement Board

FROM: Gavin Cohen, Executive Secretary

SUBJECT: Minutes Approval

### **Recommendation**

Staff recommends that the Board approve minutes from the meeting held on June 1, 2018.

### **Background and Discussion**

The minutes once approved serve as the official record of proceedings of the Board meetings. This is an important aspect of the administration of the City's Pension Plans and Retiree Benefit Trust.

The minutes once approved are posted to the City's web site.

The draft minutes are circulated to Board members for their review and comment prior to the meeting. The attached minutes reflect any input suggested by Board members.

Attachment:

- Minutes from Board meeting June 1, 2018

**Board Meeting  
June 1, 2018**

**PRESENT:**     **PRESENT:** John Rodgers, Chairperson; Mark Pierzchala, Councilmember; Stan Seemann, Citizen Representative; Susan Straus, AAME Representative; Karen Marshall, Human Resources representing the City Manager; Sgt. Chris Peck, FOP Representative, and Derrick Pierson, Union Representative. Also in attendance were Gavin Cohen, Executive Secretary to the Board; Daisy Harley, Human Resources; Tim Peifer, Finance; Anita McCombs, Ex- Board Member, as well as Craig Chaikin, Segal Marco Advisors (by conference call).

**ABSENT:**     None

The meeting commenced at 9:00AM.

**I.     Approval of minutes March 2, 2018:**

Mr. Rodgers asked the Board if they had any changes or comments to the minutes. Ms. Straus and Councilmember Pierzchala suggested changes. Mr. Pierson made a motion to approve the minutes from the March 2, 2018 Board meeting with changes as suggested at the meeting. Ms. Marshall seconded the motion. The Board voted unanimously in favor of the motion.

**II.    Certificates of Recognition:**

Chairman Rodgers presented a certificate of recognition to long standing Board Member Anita McCombs by reading the certificate and thanking her for her service. Ms. Jablonski could not attend the meeting and her certificate will be forwarded to her.

**III.   RFP for Combined Defined Benefit and Deferred Compensation Plans:**

Mr. Cohen introduced this item. He mentioned that at the previous meeting that the Board had directed staff to bring back the RFP once it had been completed and reviewed by the City's Purchasing and Legal Departments.

Mr. Cohen noted that staff plans to do four things differently with this RFP. First, they plan to have a pre-proposal conference to allow firms to clarify any items in the RFP. Second, sections of the responses will be separated to distinguish information that will be core to the evaluation from supplemental questions. Third, the fee section will be clearer and include options to transfer assets to the provider's platform. Fourth, the evaluation criteria will be simplified.

The Board discussed each of these items in detail. The Board requested the following changes:

- Remove the ability to make multiple awards.

- Emphasize one vendor and holistic approach to providing comprehensive services.
- Remove section IV, additional information, in its entirety.
- Clarify the evaluation of the interviews by removing specific criteria.
- Further clarify the base fees versus additional fees.
- Enhance the minimum requirements section to encompass most valuable information from the additional information section.
- Reevaluate the RFP schedule once changes have been made.

The Board requested that when the revised RFP is ready, redlined version reflecting the changes, and after a further review by procurement and legal, that it be emailed out to the Board for any additional comments prior to posting.

IV. Investment Policy Review DB Pension Plan:

Mr. Cohen presented the Board with the updates to the Board's Statement of Investment Objectives and Policies. He mentioned that changes were needed due to the addition of a new fund that the Board voted upon at its previous meeting. He mentioned that the Board's Asset Deployment Policy needed to be changed accordingly along with updating the document to reflect the current Plan's managers. Mr. Cohen mentioned that minor technical corrections were made throughout the document. The Board reviewed the document page by page. After all Board Member questions had been clarified, Mr. Pierson made a motion to adopt the Board's Statement of Investment Objectives and Policies as presented. Ms. Straus seconded the motion. The Board voted unanimously in favor of the motion.

V. Investment Performance Review quarter ended March 31, 2018:

Mr. Chaikin from Segal Marco Advisors presented this report. He began with a general overview of economic conditions. He then reviewed the Pension Fund performance report. The Pension Fund at the end of the quarter had a balance of \$97.9 million and returned -0.36% for the quarter against the benchmark return of -0.26%. The Fund has returned 7.6% over the five-year period, which amounted to approximately \$32 million in investment gains. The asset allocation is underweight target to fixed income but in compliance with the Board guidelines. The fund managers are performing in line with expectations.

Mr. Chaikin then reviewed the Thrift Plan performance report. The total assets ended the quarter were at \$35.1 million. The American Funds target date series is the most utilized investment option at 35.4% of assets. The stable value fund has the second highest allocation accounting for 15.3 % of the assets. Mr. Chaikin reported that all the Thrift Plan investments are performing in line with expectations. There were no recommendations for the Board to make any changes.

Mr. Chaikin then reviewed the City's 457 Plan performance report. The total assets with Mass Mutual ended the quarter at \$27.2 million. The American Funds target date series are the most utilized investment options with 25.2% of assets followed by the stable value fund with 23.8% of assets. There were no recommendations for the Board to make any changes.

Mr. Chaikin ended his presentation with the Retiree Benefit Trust performance report. The fund assets remained stable at \$8.0 million and returned -0.01% for the quarter period against the benchmark return of -1.02%. The since inception return is 9.00%, which is in line with the benchmark.

VII. Plan Amendments:

Mr. Cohen summarized the Plan amendments for the Board. He noted that the Board's funding policy was adhered to by the Mayor and Council that approved and funded a retiree COLA. Mr. Cohen explained that the majority of amendments were administrative in nature and that no action was needed by the Board. The Amendments are going to the Mayor and Council for approval at their meeting on June 18, 2018 and will become effective in the new Plan Year beginning July 2018. A brief discussion ensued by the Board members on the new article being added to the Plan. Mr. Cohen explained that this is the most preferable method to provide a retirement benefit to an employee group.

VI. Fiduciary Training:

Mr. Chaikin from Segal Marco Advisors did a presentation to the Board on what it means to be a Plan Fiduciary. He emphasized the Board's standard that is incorporated within the City Code, and the statement that each Board Member signs when being appointed to the Board. He emphasized that the Board can outsource the implementation but can't outsource their duty and the importance of documenting Board actions.

At the end of the training all Board Members signed the Statement of City of Rockville Retirement Board Member Regarding Fiduciary Standards in Accordance with Section 15-83 of the Rockville City Code.

VIII. Future Agendas:

The Board requested that an item on Access and Privacy/Security be provided.

Mr. Pierzchala made a motion to adjourn the meeting at 12:30 PM. Mr. Pierson seconded the motion. All Board Members voted in favor of the motion.

**THE NEXT REGULAR MEETING IS FRIDAY SEPTEMBER 7, 2018**



**RETIRMENT BOARD MEETING  
SEPTEMBER 7, 2018**

**AGENDA ITEM II**

**RFP FOR COMBINED PENSION  
AND DEFERRED COMPENSATION  
SERVICES**



## MEMORANDUM

September 7, 2018

TO: Retirement Board

FROM: Gavin Cohen, Executive Secretary

SUBJECT: RFP for Combined Defined Benefit and Deferred Compensation Plans

### Recommendation:

Staff recommends that the Board direct staff to post the Request for Proposal # 43-18 for Deferred Compensation and Defined Benefit Pension Plan Services (RFP).

### Discussion:

At the Board meeting held on September 29, 2017, the Board gave direction to staff to prepare a RFP for combined Defined Benefit (DB), and Deferred Compensation Services (457) (401a).

At the Board meeting held on November 17, 2017, the Board approved a proposal from Segal to provide technical assistance for the RFP. The Board directed that staff bring back the combined RFP for review at its February 2018 meeting.

At the March 2, 2018 meeting, the Board gave staff direction to finalize the RFP and have the RFP reviewed by purchasing and legal.

At the Board meeting held on June 1, the Board provided input which resulted in numerous changes to be made to the RFP. The Board suggested that the updated RFP with changes be provided by email so as not to have to wait for the next Board meeting. Due to the substantial changes received by email, staff notified the Board that the RFP would not be posted in August but will be brought back to the Board to finalize at the September 7, meeting.

Attachment: Request for Proposals #43-18 for Deferred Compensation and Defined Benefit Pension Plan Services

**Below are the changes submitted for consideration by Board Members that have now been included where appropriate.**

Page 22-23, the table that gives the point values. It is not clear if the 10 points applies to a through e together, or to each separately. If the latter, then the '10 points' should be repeated for each line. **DONE**

Page 3 of 113 Suggest following red insertion in section heading: Request for Proposal Documents. **DONE**

Page 6 of 113 Table of Contents. Page numbers listed for sections in the Table of Contents do not correspond to actual page numbers in the draft starting with section D Proposal Preparation. **UPDATED BUT NEEDS TO BE FIXED AND WILL HAVE TO BE FINALIZED ONCE ALL CHANGES ARE MADE AND ACCEPTED.**

Page 7 of 113 A, Purpose/Objective The inclusion of the term "*investment management employer education*" as part of 401(a) and 457(b) services does not appear consistent with the content of C. Scope of Services described on pages 8 – 11 of 113..Is this a typo? **ADDED A COMMA AFTER "MANAGEMENT."**

Page 11 of 113 2. Pension Plan (DB) The initial sentence "*The proposer must provide a full scope of outsourced DB administrative services.*" seems to indicate that the proposer will be outsourcing work. Is this what is intended? Or are we stating that "the proposer must provide a full scope of administrative services"? **UPDATED**

Page 11 of 113 Pension Plan (DB) Suggest that the sentence "*The successful proposer may receive proprietary investment management, but it should not be assumed that any assets will be transferred to proprietary investments*" be deleted and the following sentence be inserted in its place: "The Retirement Board may decide to utilize proposer proprietary investment management funds, but it should not be assumed that any assets will be transferred by the Retirement Board to proprietary investments.." **DONE**

Pages 12-13.of 113 It may help proposers for the RFP to include titles when listing necessary services. This would parallel the use of titles listed under 1. 401(a) and 457(b), Possible titles are; Administrative Systems and Processes, Plan Transition Strategy, Branding/Communications/and Participant Support, Plan Level Activity Reports, Training for the Board and City Staff. **DONE**

Page 15 of 113 Last paragraph on page 15 uses the terms "proposer", "provider", and "provider Agent" Are these the same entity? If so, only one term should be used. If these are different entities, further explanation of the entities "provider" and "provider Agent" should be provided. **UPDATED ALL TO PROPOSER**

Page 18 of 113 E. Minimum Requirements of Service Provider -- Per the decision of the Retirement Board at its June 6 meeting, Section IV Additional Information of the previous draft RFP was to be removed in its entirety and the current draft E Minimum Requirements was to be enhanced to encompass most valuable information from the additional information section which was to be deleted. The current draft of this section has only been only amended to include the requirement to” *administer (5) public sector define contribution/deferred compensation, and Pension Plans.*”. Other important elements of the now deleted “Additional Information Section” should either be included in the current draft of E. Minimum Requirements of Service Provider or in Section III Request for Proposals Questionnaire. Examples of such currently omitted important information are as follow:

- Explain your implementation/conversion process **ADDED AS QUESTIONS**
- What are your client retention statistics for each of the last three years **ADDED AS QUESTIONS**
- Describe the various types of insurance coverage and indemnification provided to protect clients. **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR COVERAGE. THE CITY COULD ALSO CHOOSE TO MAKE SPECIFIC LEVELS A REQUIREMENT IN THE MIN QUALS & HAVE PROPOSERS CERTIFY AND EXPLAIN.**
- Has your company been a party to any litigation during the last three years involving your record keeping and administration services? **ADDED AS QUESTIONS**
- Please describe the team that would deal directly with the Board on an ongoing basis and indicate staff size and turn over rates. **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR MORE SPECIFICS ABOUT THE TEAM & TURNOVER.**
- Describe your standard participant statements. **THERE IS ALREADY A GOOD AMOUNT OF DETAIL HERE. ADDED A QUESTION ABOUT PROVIDING A SAMPLE CONSOLIDATED DB/DC STATEMENT.**
- Describe the standard reporting package that you would provide the Board and City staff. **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR MORE SPECIFICS.**
- Provide the detail of your system capability concerning retirement processing with regard to tracking of participant retirement elections and recordkeeping of plan history concerning salary and service.

- Describe how you monitor 401(a)(9) required minimum distribution, **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR MORE SPECIFICS, BUT EVERYONE CAN ACCOMODATE.**
- Do you have a contractual arrangement with a single custodial and asset servicing administration of Retirement Plan assets? What is the name of the custodial trust company. **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR MORE SPECIFICS.**
- List mutual fund and investment trust investment options. **ADDED QUESTIONS TO THE RECORDKEEPING SECTION.**
- For any of the plans do you have any proprietary requirements? **ADDED A QUESTION.**
- What Stable Value product do you propose for the Plans and why? **DETAIL ON THE STABLE VALUE FUND CAN BE ASKED OF FINALISTS. ADDED A QUESTION ABOUT THE FUND THEY WOULD PROPOSE.**
- Describe the investment advisory services.and cost of provision if any **ADDED A SECTION.**
- Describe your documented disaster recovery plan **DO NOT THINK IS A DECISION MAKING POINT. CAN ASK FINALISTS FOR MORE SPECIFICS**

Page 21 of 113 Suggest that “F. Service Provider Expectations” be deleted and the title “F Retirement Board Expectations Regarding Proposers” be substituted. **DONE**

Page 21 of 113 Item 8 includes the terms “provider or its agents”. Since it appears that these entities are not synonymous with the “proposer”, they should be defined somewhere in the RFP. **DONE**

Page 53 of 113 Proposed position of red line insertion of “Professional Services Agreement” between Item 4 Equal Employment Opportunity and item 5 Indemnification. seems inappropriate. Insertion should probably replace existing Attachment D “Agreement.”. Draft does not indicate a deletion. **THIS IS A PROCUREMENT/LEGAL QUESTION. IT SAYS 54 OF 95 AT THE BOTTOM.**

Page 63 Of 113 Is the intent to insert redline version of “General terms , Conditions, and Instructions” for original version on page 74 of 113. If so, deletion of original is not indicated. **THIS IS A PROCUREMENT/LEGAL QUESTION. IT SAYS 62 OF 95 AT THE BOTTOM.**

Page 79 of 113 Attachment A Certification of Compliance with Minimum Qualifications of RFP. Is the Exceptions Summary Form in this attachment necessary given that the general instruction is “*provide and explanation of how you either meet or do not meet the requirement.*”? **THIS IS THE FORM FOR PROVIDING THE EXPLANATION OF EACH OF THE QUALIFICATIONS & HOW THEY ARE MET.**

Section IV Attachments is jumbled with respect to page numbering. It does not include Attachment E. Also where is the reference to Attachment E in preceding sections of the draft.RFP document. **BELIEVE THIS WILL NEED TO BE CLEANED UP WHEN ALL OF THE CHANGES ARE ACCEPTED & FINALIZED. TRACK CHANGES HAS MADE THIS VERSION CONFUSING.**



City of Rockville  
Rockville, Maryland

**REQUEST FOR PROPOSALS #43-18**

**DEFERRED COMPENSATION AND DEFINED BENEFIT PENSION  
PLAN SERVICES**

Provide both:

Deferred Compensation Recordkeeping/Administration, Communication/Education, Custodial Trustee Services,  
Investment Management Services, Employer Education and Investment Advisory Services

Defined Benefit Recordkeeping/Administration, Communication/Education, Custodial Services, Employer  
Education, Benefit Payments and Plan Management and Possible Investment Management Services

**ISSUED BY:**

Procurement Department  
City of Rockville, City Hall  
111 Maryland Avenue, 2<sup>ND</sup> Floor  
Rockville, Maryland 20850  
Phone: (240) 314-8430  
Fax: (240) 314-8439

Any individual with a disability who would like to receive the information in this publication in  
another form may contact the ADA Coordinator at  
240-314-8100, TDD 240-314-8137

**MFD Outreach Program**

**It is the intent of the City of Rockville to increase opportunities for minority, female and disabled (MFD) owned businesses to compete effectively at supplying goods, equipment, and services to the City, within the constraints of statutory purchasing requirements, departmental needs, availability, and sound economical considerations. Suggested changes and MFD enhancements to this solicitation's requirements for possible consideration and/or inclusion in future solicitations are encouraged.**

## Notice to Proposers

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In this RFP, the terms offeror, respondent, vendor and proposer are synonymous.

Sealed proposals addressed to the City of Rockville, Maryland to provide Deferred Compensation and Defined Benefit Pension Plan Services will be received at Rockville City Hall, Procurement Division, Attention: Jessica Blow, Director of Procurement, 111 Maryland Avenue, Rockville, Maryland 20850 until **2:00 PM (Eastern), on Day, XX-XX-XXXX**. No proposals will be accepted after that time.

The City will not accept faxed proposals or proposals sent via e-mail. All faxed or e-mailed proposals will be rejected and returned.

### RECEIPT AND HANDLING OF PROPOSALS

The offeror assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.

In accordance with Chapter 17 of the City's Procurement Purchasing Ordinance, competitive sealed proposals are not publicly opened or otherwise handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the evaluation process. The proposals, except for information identified by the offeror as proprietary, shall be open for public inspection after the contract award.

### REQUEST FOR PROPOSAL DOCUMENTS

The proposal documents are available several ways:

Download the document from the City website at <http://www.rockvillemd.gov/Bids.aspx>.

Visit the Procurement Division and pick up a proposal packet between the hours of 8:30 A.M. and 5:00 P.M., Monday through Friday, excluding government holidays. We are located at Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland 20850.

### **PRE-PROPOSAL MEETING**

A pre-proposal meeting will be held on

### SUBMITTAL OF QUESTIONS

Prospective offerors are requested to submit any questions no later than **5:00 PM (Eastern), on Day, XX-XX-XXXX**, to Jessica Blow, Director of Procurement, via e-mail at [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov).

### ADDENDUMS

Oral answers to questions relative to interpretation of contents of this request or the request for proposals process will not be binding on the Board. To ensure fair consideration for all offerors, any interpretation made to prospective offerors will be expressed in the form of addendums to the contents of this request, if such information is deemed necessary for the preparation of proposals or if the lack of such information would be detrimental to the uninformed offeror. The City reserves the right to include questions and responses in the form of written Addendums, as it deems

necessary. Such addendums, if issued, will posted at the address listed below:

<http://rockvillemd.gov/business/bids.htm#bids>

Please note, that it is the respondent's responsibility to check frequently for addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an addendum with your response may result in disqualification of proposal.

#### **CONTACT PROHIBITED**

From the date of issuance of this RFP until contract award, offerors shall not contact or initiate communication with the City of Rockville Retirement Board, elected officials of the City of Rockville, or other City personnel other than the Procurement contact assigned to this RFP. Unauthorized communication may result in disqualification of the offerors proposal.

#### **SITE LOCATION**

Primarily Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland 20850.

#### **NOTICE TO OFFERORS**

"Pursuant to 7-201 et seq of the Corporations and Associations Article of the Annotated Code of Maryland, corporations not incorporated in the State shall be registered with the State Department of Assessments and Taxation, 301 West Preston Street, Baltimore, MD 21201 before doing any interstate or foreign business in this State. Before doing any intrastate business in this State, a foreign corporation shall qualify with the Department of Assessments and Taxation." Bidders must supply with their bids their US Treasury Department Employer's Identification Number as such number is shown on their Employer's Quarterly Federal Tax Return (US Treasury Department Form No. 941). Companies located outside Maryland should call 1-410-767-1006, or e-mail: [charterhelp@dat.state.md.us](mailto:charterhelp@dat.state.md.us).

#### **QUALIFICATIONS TO CONTRACT WITH PUBLIC BODY**

Bidders must be qualified to bid in the State in accordance with Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland which states that any person convicted of bribery (upon acts committed after July 1, 1977) in furtherance of obtaining a contract from the State or any subdivision of the State of Maryland shall be disqualified from entering into a contract with the City.

#### **DISABILITY INFORMATION**

Any individuals with disabilities who would like to receive the information in this document in another form may contact the ADA Coordinator at (240) 314-8100; TDD (240) 314-8137.

#### **W-9 FORM REQUIRED**

Successful respondents are required to complete and submit a W-9 Form. The W-9 form can be accessed at: <http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3>. It is the successful respondent's responsibility to act upon this instruction for submitting a W-9 form. The City will not be able to process payments if this form is not completed and submitted to the Procurement Division.

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## **SECTION I.**

### **Introduction/Overview**

## A. Purpose/Objective

The City of Rockville Retirement Board “(Board)” is seeking competitive proposals from qualified firms to provide deferred compensation recordkeeping/administration, communication/education, investment management, employer education, investment advisory and custodial trustee services for the City of Rockville 401(a) and 457(b) Plans and recordkeeping/administration, communication/education, custodial services, employer education, benefit payments, plan management, and possible investment management services for the City of Rockville’s Pension Plan (the “Plan;” all three will be “Plans”). The City’s 401(a) plan is a hybrid plan that includes both a Defined Benefit (DB) portion and a Defined Contribution (DC) portion. The DC portion is referred to as the Thrift plan. The City’s 457 (b) Plan is a deferred compensation plan. The City’s Pension Plan is a Defined Benefit (DB) Plan.

Information on the Plans can be found at the following link:

<http://www.rockvillemd.gov/index.aspx?nid=1229>

## B. Background

The City of Rockville Retirement Board administers the Plans on behalf of participants in the Plans. The Board is responsible for selecting vendors to provide services to the Board including recordkeeping, communication/education, overall fund/investment selection, benefit calculations and custodial services.

As of December 31, 2017, the 401(a) Plan had a market value of \$34.6 million, the 457(b) Plan a market value of \$27.2 million and the Pension Plan (DB) a market value of \$99.7 million.

A brief summary of the Plans follows:

The 401(a) Thrift Plan (DC) allows administrative and union employees to contribute between one (1) to five (5) percent of their base salary on a pre-tax basis. The deferral election is made at the time of hire and may not be changed. The City makes a matching contribution of 50 cents for each dollar contributed. A minimum of one (1) percent of base salary is mandatory for participation. The investment direction may be changed bi-weekly. Vesting in the defined contribution portion occurs at 100% after three years of credited service.

The City’s 457(b) Plan is a voluntary supplemental savings plan that is available to all benefitted employees. Participating employees may have a portion of their salaries deferred, subject to limitations imposed by the Internal Revenue Service. There is no City matching contribution.

***The investment fund options are the same for the City’s 401(a) and 457(b) Plans.***

The City’s Defined Benefit (DB) Pension Plan consists of three employee groups to administer: Union Employees, Police Employees, and Administrative Employees. The benefits differ by group and there are multiple tiers of benefits within each group. The benefit received is based on a

calculation which includes a participant's average annual salary multiplied by length of credited service multiplied by a factor for each year of credited service. All benefitted employees other than Union Employees are required to make a mandatory contribution to participate.

Current DB pension payroll is approximately \$9,202,588 per quarter or \$36,810,351 per year.

### C. Scope of Services

The Board is looking for proposals for a single vendor to administer the Plans. Accordingly, proposers' must be able to provide services for Defined Benefit, Defined Contribution and Deferred Compensation Plans. The Board is looking for a comprehensive holistic approach to retirement services for Plan participants.

~~While this RFP expects to award a single contract for the Plans, the Board reserves the right to award separate contracts to different providers for the services outlined above.~~

*It is the proposers' responsibility to ensure clarity of all provisions of this request prior to submitting proposal.*

#### 1. 401(a) and 457(b) Plans

##### a. Implementation Services

All proposers must provide a detailed plan transition strategy along with the appropriately branded communication materials to explain any new Plan changes and enhancements. The potential conversion from the current plan provider to a new provider will require proposers to provide an explanation of the process, blackout period and reconciliation of plan assets to the individual participant records.

##### b. Recordkeeping and Administration Services

All proposers must provide detailed information about their deferred compensation recordkeeping and administrative systems and use of technology. Important factors include the ability to process payroll deductions, monitor compliance, process participant transactions on a daily basis, provide timely and accurate participant statements and plan level financial statements and the capability to create custom reports that may be deemed necessary in support of the external audit function. The service provider selected by the Board must have in place a toll-free customer center, voice response system, and Internet services that allow participants access to self-service capabilities in both the 401(a) and 457(b) Plans.

The service provider's internet services must include data encryption and a secured method for the Plan to submit and receive payroll data as well as allow City staff and Plan auditors the ability to view participant ~~demographic~~ information and Plan activity.

##### c. Employee Communication/Education and Participant Services

The Board is looking for appropriate branding for all communications, forms and participant support services (i.e. internet self-service, voice response system and call center). It is also important to the Board that participants will be able to access plan information and model various investment and retirement scenarios via the internet web site and through call center interactions.

All proposers must provide a comprehensive employee communication and investment education program. Communication services are to be supported by customer service representatives and comprehensive Internet services that provide participants with interactive financial and retirement planning tools and software. The approach requires the proposer provide the participants with all of the necessary financial information and data to make informed investment decisions related to their fund elections. An explanation that outlines your firm's capabilities in designing and implementing a communication/education strategy is required for both the initial transition and ongoing process. In addition, the service provider must provide a measurement tool to demonstrate the results as required. The goal is to identify a service provider that offers comprehensive communication/education services supported with local field representatives to accommodate the needs of the employees located throughout the City. In addition to your core communication services, field service representatives must be available to provide one-on-one participant counseling. ***These representatives' compensation may not be structured for any bias towards any investment product.*** Enhanced financial planning services should be available where needed in addition to the core education services. These could be elected by a participant with an agreement between each participant and advice provider.

The proposer will be required to assist employees with the completion of enrollment, verify the completeness of the process and coordinate the institution of salary deferrals and plan contributions with the City's payroll system.

The proposer must prepare enrollment packages, which must be distributed at group meetings and in response to an employee's request and contain all information in a complete and concise manner so that an employee would be able to enroll in the Plan. The service provider must also provide enrollment counseling to employees who wish to discuss the Plan and the investment offerings in person or over the telephone.

The Board will require a quarterly report from the service provider to monitor all plan level activities. This report shall include data on both the Plan and participation level, as well as the status and resolution of any participant problems and developments in the delivery of plan services.

#### **d. Trustee/Custodial Services**

The proposer must provide trustee/custodial services for the Plan or arrange for trustee services with an outside party. Any additional costs for trustee/custodial services are to be fully disclosed in the fee section of this Request for Proposal.

#### **e. Investment Management Services**

##### **Investment Options**

While the Board is interested in selecting a service provider that offers an attractive and flexible array of investment options, the investment line-up is not being considered with the RFP with potentially the exception of stable value. The Plans are looking for an open architecture platform and no proprietary investment requirements.

**f. Employer Education**

The proposer will be required to provide ongoing employer education as it relates to the day-to-day operation of the Plan including:

- Transmission and receipt of contribution/payroll files
- Features of the Plan sponsor website
- Plan compliance with current and future regulatory requirements including any participant notifications
- Providing documentation for the annual plan audit
- Communication and education program
- Administration procedure manual

**g. Investment Advisory**

The proposer should provide online services to employees that provide asset allocation, fund and savings rate recommendations. Advisory services should take into account an employee's assets outside of the Plans as well. The Plans also expect a "managed account" solution, where an employee pays for their portfolio to be professionally managed, to be included as part of the investment advisory program. These services may be provided by the proposer or a third party.

**2. Pension Plan (DB)**

**h. Administration, Systems & Processes**

The proposer must provide a full scope of ~~outsourced~~ DB administration services. These services can be done internally or outsourced to a long-term partner. The DB services must include all of the following: benefit calculation capabilities, record keeping, benefit payments, custodial services, plan management, ongoing training and support to the City as it relates to the day-to-day operation of the Plan, and employee retirement education and communications. The Retirement Board may decide to utilize proposer proprietary investment management funds, but it should not be assumed that any assets will be transferred by the Retirement Board to proprietary investments. ~~The successful proposer may receive proprietary investment management, but it should not be assumed that any assets will be transferred to proprietary investments.~~

All proposers must provide detailed information about their defined benefit administration systems and processes including the use of technology. Important factors include the ability to monitor compliance, provide timely and accurate participant benefit calculations and statements, and the capability to create custom reports that may be deemed necessary in support of the external audit function. The successful proposer must have in place a toll-free customer center, voice response system, and Internet services that allow participants access to self-service capabilities.

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The vendor's internet services must include data encryption and a secured method for the submission and receipt of payroll data as well as allow City staff and Plan auditors the ability to view participant demographic information and Plan activity.

In accordance with the United States Department of Labor rules, the proposer is required, on behalf of the Board, to actively search for missing participants and establish procedures for putting participants in pay status when they reach age 70.5.

#### i. Implementation

All proposers must provide a detailed Plan transition strategy along with the appropriately branded communication materials to explain any new Plan changes and enhancements. All vendors choosing to propose must also provide a detailed implementation plan on assuming the defined benefit administration services including benefit calculations and day-to-day processing.

#### i. Communication

The Board is looking for branding and communications, forms and participant support services (i.e.: internet self-service, voice response system and call center) to be consistent and provided jointly with those of the deferred compensation plans. It is also important to the Board that participants be able to access plan information and model various retirement scenarios via the internet web site and through call center interactions.

Participant communications and related services are to be supported by customer service representatives and comprehensive Internet services that provide participants with interactive financial and retirement planning tools and software. The selected proposer should send annual pension statements to participants that incorporate both their defined benefit as well as an income projection from their DC assets. All proposers must provide information about the branding and all of the supporting forms, letters and other communications materials needed for defined benefit plan administration. An explanation that outlines your firm's capabilities in designing and implementing a communication strategy is required for both the initial transition and ongoing process. In addition, the successful proposer must provide a measurement of the results of this strategy at each of the quarterly Board meetings. The goal is to identify and choose a vendor that offers comprehensive communication services supported with local field representatives to accommodate the needs of the employees located throughout the City. In addition to your core communication services, field service representatives must be available to provide one-on-one participant education.

~~In accordance with the United States Department of Labor rules, the proposer is required, on behalf of the Board, to actively search for missing participants and establish procedures for putting participants in pay status when they reach age 70.5.~~

The proposer will be required to assist employees with the completion of their DB election forms and the process to implement such DB retirement elections. This includes the proposer's preparation of defined benefit retirement packages as part of the day-to-day administration of the DB benefit portion.

k. Plan Sponsor Reporting & Training

The Board will require a quarterly report from the successful vendor to monitor all plan level activities. This report shall include data on the Plan level, as well as the status and resolution of any participant issues, especially those that could potentially involve the Plans', claims and appeals processes.

The proposer will be required to provide ongoing training and support to the Board and City as it relates to the day-to-day operation of the Plan including:

- Transmission and receipt of contribution/payroll files
- Features of the Plan sponsor website
- Plan compliance with current and future regulatory requirements including any participant notifications
- Providing documentation for the annual plan audit
- Communication program
- A full summary of defined benefit administration procedures utilized by the proposer.

**D. Proposal Preparation**

**1. Fees**

Each proposer must fully disclose fees based on the Plans' information provided in this RFP.

**2. Preparation Costs**

All costs incurred during proposal preparation or in any way associated with the proposal's preparation, response, submission, presentation, or oral interviews shall be the sole responsibility of the proposer and will not be reimbursed by the Plans.

**3. Term of Contract**

The awarding authority for this ~~selected proposal~~<sup>bid</sup> is the Board. The successful proposer must execute a contract providing the specified package of services in accordance with the Board's requirements.

The initial contract term will be for 5-years with an option for two, 5-year contract extensions. The fee structure must be guaranteed for the initial contract term, but with the potential to negotiate the fee structure based on increase in plan assets. The Board expects the proposer's willingness to discuss and negotiate fees for the contract extensions.

The Board is not bound by any oral or written information released prior to the issuance of this RFP. Any materials and documents developed during the engagement will become the property of the Board.

In submitting a proposal, the selected provider agrees that the Board has access to and the right to examine directly all pertinent documents, papers and records of the proposer and/or any subcontractor as related to any contract and/or sub-contract resulting from this RFP until six years after final payment has been made pursuant to any contract awarded as a result of the Board's acceptance of the provider's proposal. The Board has the exclusive ownership and unlimited rights to use, disclose, or duplicate for any purpose whatsoever, all information, data, designs, work products, and materials developed by the provider under contract.

The Board reserves the right to refuse to do business with any proposer found to be non-responsive by the Board. The Board reserves the right to postpone or cancel this RFP and to reject all proposals.

If no agreement is reached with a proposer within a period of time considered reasonable by the Board, the Board may terminate negotiations and select another proposer, issue a new RFP or take any other action consistent with the Plan's best interests. No proposer shall have any rights against the Plans, the Board or the City arising from such negotiations. By issuing this RFP, the Board is not obligated to award a contract. The contract between the Plans, acting through the Board, and the successful proposer shall contain provisions based on the specific requirements of this RFP, the successful proposer's proposal, and general provisions governing all Plan contracts. No elected or appointed member, agent, or employee of the Board and/or the City shall benefit financially or materially from any contract resulting from this procurement. The Board may terminate any contract resulting from this procurement if gratuities were offered or given by the contractor or his agent to any member, agent or employee of the City or Board.

The selected proposer is responsible for the entire contract performance. The proposer must indicate in the RFP if it intends to use a subcontractor for any part of the work. If so, the proposer shall identify each subcontractor by name, business address, and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the subcontractor must be included.

The selected proposer shall be solely responsible for and shall indemnify and hold harmless the Plans, the Board, the City and their officers, employees, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorney's fees and disbursements) and damages (losses), arising out of or in connection with any acts or omissions of the ~~proposervider~~ or a ~~provider-proposer's~~ Agent, regardless of whether taken pursuant to or authorized by this agreement and regardless of whether due to negligence, fault, or default, including losses in connection with any threatened investigation, litigation or other proceeding or preparing a defense to or prosecuting the same. The proposer shall, upon the Board's demand and at the Board's direction, promptly and diligently defend, at the ~~provider's~~ ~~proposer's~~ own risk and expense, any and all suits, actions, or proceedings that may be brought or instituted against and the provider shall pay and satisfy any judgment, decree, loss or settlement in connection therewith. The proposer shall, and shall cause ~~provider-proposer's~~ Agents to, cooperate with the Board in connection with the investigation, defense or prosecution of any action, suit or proceeding. The successful

proposer must execute a contract providing the required services in accordance with the Board and City's requirements.

The proposer understands that if any term or condition of this RFP or subsequent contract is determined to have been entered by an agent of the City without the appropriate authority, said term or condition shall be void and unenforceable.

The Board reserves the right to accept or reject the account manager and other staff personnel designated for its programs, both initially and in future years. The successful contractor shall agree to ensure the continuity of the designated primary Account Manager and a backup designee, assigned to perform the service. Contractor represents and warrants that the primary Account Manager shall remain available throughout the term of the contract. Contractor represents and warrants that contractor shall not remove or replace the primary Account Manager and contractor agrees that contractor's removal or replacement of the primary Account Manager may be grounds for termination of the contract.

The Board recognizes, however, that events beyond the control of contractor, such as death, physical or mental incapacity, long-term illness, or the termination of employment of the primary Account Manager, may require the Contractor to propose a replacement of another employee of the Contractor. In the event that such a replacement is necessary, Contractor agrees that the replacement person shall have equal or better qualifications at no additional cost to the Plans. No replacement person shall begin work on the contract without the prior written consent of the Board.

The contractor will notify the Board within three (3) business days of any account team changes.

The final award will be subject to the execution of a service contract acceptable to the Board. The full response to this RFP will be considered part of the contract. In addition, the standard City of Rockville contract (attached) has to be accepted by, or at a minimum incorporated into, the selected vendors overall contract.

#### **4. Confidentiality**

This RFP and all materials submitted are not public information until the contract is executed subject to the provisions described in the proposal. Upon contract execution, contract documents may be subject to public inspection under the Maryland Public Information Act (MPIA).

Proposers should specifically identify those portions of their proposal deemed to be confidential, proprietary information or trade secrets and provide justification why the Board and City should not disclose such material upon request. Such confidentiality/proprietary information must be clearly marked and easily separable from the non-confidential section of the proposal. The selected proposer agrees to observe the confidentiality provisions and prohibitions against disclosure of all

applicable Federal and State laws and regulations relating to the confidentiality of records and information gathered, obtained, reviewed, or developed in the performance of the resulting agreement; and further agrees to require each of its employees, partners, and agents assigned to the performance of this agreement to observe said provisions. The proposer must comply with the requirements of State of Maryland Law for safeguarding confidential information, the prohibition against disclosure of confidential information and the civil and criminal consequences of non-compliance.

E. Minimum Qualifications of Service Provider

The following are the criteria for a bundled provider to be considered as an eligible candidate to bid on the requested services described in this RFP. ~~Proposers that are unable to accommodate any one of the minimum qualifications, please~~should provide an explanation in the Certification of Compliance with Minimum Requirements of RFP (Attachment A) of how they meet, or why they don't meet. ~~Proposers' must address each of the Minimum Requirements listed below:~~

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- 1. Proposers must provide certification as a qualified firm to provide administrative services pursuant to **Sections 401(a) and 457(b)** of the Internal Revenue Code, including all rules and regulations of the State of Maryland and the City of Rockville.
- 2. Proposers must offer the following administrative services: deferred compensation & defined benefit recordkeeping/administration; employee communication/education; custodial trustee services; investment management; employer education and training; and investment advisory services for both 401(a) and 457(b) plan types; pension benefit calculation capabilities; pension benefit payments and plan management.
- 3. Proposers must comply with all RFP requirements. Unless otherwise noted in your cover letter it is assumed that by submitting a response to this RFP, proposer's response is intended to conform to the requirements in every way.

Proposers must have at least **five (5) years experience** in providing the proposed services and products to the public sponsor deferred compensation and defined benefit marketplace. ~~Provide a representative list of five, similar public sector defined benefit, and deferred compensation clients for whom you provide administrative services. Proposer's must be providing all requested services holistically to the named clients below for a minimum of five years each.~~

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1.

<del>1.</del> Client Names	<del>1.</del> Total Participants	<del>1.</del> Total Assets	<del>1.</del> Length of Relationship
----------------------------	----------------------------------	----------------------------	--------------------------------------

<u>1.</u>	<u>1.</u>	<u>1.</u>	<u>1.</u>
<u>1.</u>	<u>1.</u>	<u>1.</u>	<u>1.</u>
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7. ~~Proposers must have a minimum of \$3 billion under administration for public sector retirement plans, both deferred compensation and defined benefit.~~

4. Proposers must have a minimum of **\$2 billion** under administration for public sector plans where they administer both the deferred compensation and defined benefit plans for a single entity.

5. Proposers must administer at least **five (5)** public sector defined contribution/deferred compensation, and pension Plans with each having 1,000 eligible participants.

~~8. List the number and total assets of the public 401(a) defined contribution plans that you currently administer in the following categories:~~

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	Plans		Assets	
<del>Number of Participants</del>	<del>Number</del>	<del>Pereent</del>	<del>Amount</del>	<del>Pereent</del>
<del>Under 500</del>				
<del>501 1,000</del>				
<del>1,001 5,000</del>				
<del>5,001 +</del>				
<del>Total</del>				

9. ~~List the number and total assets of the public 457(b) plans that you currently administer in the following categories:~~

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	Plans	Assets
--	-------	--------

Number of Participants	Number	Percent	Amount	Percent
Under 500				
501 – 1,000				
1,001 – 5,000				
5,001 +				
Total				

~~10. List the number and total assets of the public defined benefit pension plans that you currently administer in the following categories:~~

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	Plans		Assets	
Number of Participants	Number	Percent	Amount	Percent
Under 100				
101 – 200				
200 +				
Total				

~~11.~~

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~~12. Proposers must administer at least five (5) public sector defined contribution/deferred compensation Plans with each having 1,000 eligible participants.~~

~~13. Proposers must administer at least five (5) public sector defined benefit pension plans each having 500 eligible participants.~~

~~14.6.~~ Any relationships proposed to provide services offered in this RFP must have been in place for at least **five (5)** years and provide services to similar plans (size and demographics).

~~15.7.~~ Trust/custodial services must have been provided to deferred compensation plans for at least **five years (5)** and have at least **\$23 billion** under trust/custody. Trustee services can be provided either through direct services or through a banking arrangement.

**F. Service ProviderRetirement Board Expectations Regarding Proposers**

1. Proposers must provide a representative who can be a single point of contact, provide seamless administration and accountability, and meet, on a regular basis, with the Board and City staff.

2. Proposers must demonstrate an ability to work with the Board or designated representative and the City's consultants in implementation, communication, and administration of the Plans.
3. Proposers must have a Statement on Standards for Attestation Engagements (SSAE) ~~46-18~~ Audit conducted at least annually and provide their most recent SSAE ~~46-18~~ as part of their response to this proposal.
4. The contract term will be for 5-years with an option for two, 5-year extensions. The response to this request for proposal will be incorporated into the final contract.
5. Proposers must provide field service representatives to support the on-going consultation to all the Plans' participants, who are located at three (3) worksites listed below. Representatives should provide onsite education and participant communication services and ***may not have commission-based compensation or any financial incentives to promote any investment product or services***. The selected vendor must have field service support available to commence the new plan roll out at the following locations:
  - Police Station with approximately 100 employees
  - Public Works Maintenance facility with approximately 150 employees
  - City Hall ~~Station~~ with approximately 270 employees
6. Proposers must be able to meet with the Board on a quarterly basis.
7. Proposers must be able to maintain and track participant contribution rate changes and report an electronic feedback file with updated information to payroll so that they can in turn update their payroll deduction records.
8. Proposers must be solely liable and responsible for any processing errors of the ~~provider-proposer~~ or its agents. In the event of a participant's loss of interest and/or dividend and/or principal due to an error by the selected proposer or its agent in processing transactions on behalf of the participant, the selected proposer agrees to adjust the participant's account to the same position as if the processing error had not occurred.
9. Proposers must provide access, with reasonable notice, to parties authorized by the Board for the purpose of performing any audit or reviews that are deemed necessary.
10. The service provider's internet services must include data encryption and a secured method for the Plans' participating employers to submit and receive payroll data as well as allow City staff and Plan auditors the ability to view participant demographic information and Plan activity.

## G. Communication

The awarded proposer's staff must be available for consultation with City staff on an as-needed basis between 8:00 AM and 5:00 PM, ET Monday through Friday.

The awarded proposer should provide phone or email responses to the Board and the City's inquiries within one (1) business day.

The awarded proposer shall have access to the Internet, electronic mail, and required equipment necessary to communicate with the Board, program participants and its customers. This technology shall be available to the awarded proposer to communicate with all necessary parties through the term of this contract. The awarded proposer shall have the ability to transmit all documentation required by the Plans and Board electronically.

**Please complete the attached Certification of Compliance with Minimum Requirements of RFP (Attachment A) attesting to the adherence with these requirements. Any responses not meeting these requirements may be considered, at the sole discretion of the Board, as being non-responsive.**

## H. Pre-bid Vendor Questions

Technical and contractual questions pertaining to this RFP must be submitted via email to Jessica Blow, Director of Procurement at [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov) no later than **5:00 p.m., Eastern time on July 9, 2018.**

Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the Board.

To ensure fair consideration for all proposers, any interpretation made to prospective proposers will be expressed in the form of an addendum to the specifications, if such information is deemed necessary for the preparation of proposals or if the lack of such information would be detrimental to the uninformed offeror. Such addendums, if issued, will posted at the address listed below:

<http://rockvillemd.gov/business/bids.htm#bids>

Please note, that it is the proposers responsibility to check frequently for Addendums, which may impact pricing, this documents requirements, terms and/or conditions. Failure to sign and return an Addendum with your response may result in disqualification of proposal.

**Written responses to ~~each vendor's~~ questions will be posted on the City's website by 5:00 p.m. ET, July 23, 2018.**

**There will be a pre-proposal conference on Thursday, August 2, 2018 at 10:00 a.m. EST to address the RFP, the written responses to the questions submitted and to provide any further clarification. Proposers are invited to participate in-person at City Hall or via phone (dial-in information will be provided with the written responses).**

## I. Format of RFP Response

~~Proposers~~~~Vendors~~ must provide their proposal in the following format:

### 1. Transmittal Letter

A letter of transmittal shall accompany each proposal. Such letter must be signed by a person authorized to contractually obligate the vendor to the scope, terms, specifications, and pricing contained in the response. This letter should also clearly indicate the name, address, phone number and facsimile number of one contact person for the proposal.

The letter of transmittal should be no longer than two pages and should include the following:

- A. Certification that the proposer meets all of the minimum service qualifications. Reference to completion of certification of compliance with terms and conditions of the RFP. (See Attachment A.)
- B. A brief statement of the services to be provided.
- C. A statement of commitment to provide the services requested within the times and manner specified.
- D. A brief summary of the ~~proposer~~ vendor's qualifications to perform this type of engagement.
- E. A statement confirming that this proposal shall remain valid for six (6) months after the closing date for receipt of proposals.

## 2. Proposal Signature

The Proposer must include certification that the individual signing this proposal has the authority to bind the proposer to the terms and conditions set out in the proposal document (Attachment B).

## 3. Table of Contents

The table of contents should include clear and complete identification of the materials submitted by section and page number.

## 4. Format Requirements

Responses must comply with the following:

- A. All questions in Section\* III ~~and IV~~ must be answered in the manner and area stipulated after each question. Each RFP question must be restated before your response. If printed matter is supplied as supplemental information, please make sure that the supplemental information is appropriately marked with the corresponding question to which it applies.
- B. Please respond to every question in each section of the RFP. Failure to respond to all questions may lead to your elimination from consideration.
- C. All questions must be answered in the order asked.

- D. Neither Segal Marco Advisors nor the Board will be bound by oral explanations or instructions given at any time during the request for proposal process or after the award of the contract.
- E. Affidavit Form. Complete and return the enclosed Non-Conviction/Collusion Affidavit Form with your proposal (Attachment C). Failure to complete and return this document may result in the disqualification of your proposal.
- F. Agreement. Provide a statement that the firm, if awarded the contract, shall execute the attached City of Rockville Agreement (Attachment D).
- G. Insurance. Provide a statement that the firm, if awarded the contract, shall meet all of the insurance requirements contained within this bid document (Attachment F).

#### 5. Fee Specifications

Fee quotes should be provided in the format outlined in the Fee section of the questionnaire (Section III). All assumptions underlying fee quotes should be **CLEARLY** stated. Pricing offers must be good for six (6) months from the receipt date of the proposal.

#### J. Submission of RFP Responses

Each proposer must submit their RFP response in accordance with all stipulations listed below:

Each ~~proposerservice provider~~ must submit a total of twelve (12) copies by **5:00 p.m. Eastern Time on August 13, 2018 to the City**, as follows:

**Ten (10) bound copies, one (1) unbound copy, one (1) unbound redacted copy, plus an electronic PDF copy to:**

Ms. Jessica Blow  
 Director of Procurement City of Rockville  
 111 Maryland Avenue  
 Rockville, Maryland 20850  
 Email: [jblow@rockvillemd.gov](mailto:jblow@rockvillemd.gov)

Proposals must be clearly labeled: **Request for Proposal #43-18/City of Rockville.**

#### RECEIPT AND HANDLING OF PROPOSALS

The ~~proposerofferor~~ assumes full responsibility for the timely delivery of the proposal to the designated location. Proposals delivered to any other office or location will not be considered.

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In accordance with Chapter 17 of the City's Procurement Purchasing Ordinance, competitive sealed proposals are not publicly opened or otherwise handled so as to permit disclosure of the identity of any offeror or the contents of any proposal to competing offerors during the evaluation process. The proposals, except for information identified by the offeror as proprietary, shall be open for public inspection after the contract is awarded.

## K. Projected Timetable

*Implementation will likely be done in two stages. The Board anticipates the Pension conversion to be completed first over six to nine months from award of contract. Once the Pension conversion is completed, the DC Plans conversion will be done.*

TASK	TARGET DATES
Release of Request for Proposal – RFP	<del>July 30, 2018</del> <del>June 25, 2018</del>
Receive pre-proposal questions from provider(s)	<del>August 13, 2018</del> <del>July 9, 2018</del>
Provide response to provider(s) proposal questions	<del>August 27, 2018</del> <del>July 23, 2018</del>
Pre-proposal conference	<del>September 4, 2018</del> <del>August 2, 2018</del>
<b>Deadline for proposal submission</b>	<del>September 31, 2018</del> <del>August 13, 2018</del>
Finalists Presentations	<del>Week of November 26</del> <del>October 8,</del> 2018
Finalize contract	<del>December 2018</del>
Start Pension implementation	<del>January 2019</del>

The Board will select up to three (3) finalists. Please note the finalist presentations may be held the ~~Week of November 26~~ ~~October 8, 2018~~. Successful proposers will be notified as to the actual date and time of their presentation before the Board, and will be provided with instructions regarding the presentation agenda and location.

### 1. Due Diligence

The Board shall have the right to inspect any facility or project site where the services performed under the resultant contract are carried out.

The Board may monitor the performance of the selected service provider on a frequency of its choosing to ensure compliance with all of the requirements of the contract. The selected service provider agrees to the checks, processes or oversight the Board believes is necessary.

## L. Evaluation of the Proposals

The Board will first examine proposals to eliminate those that do not meet the minimum qualifications of the service provider. Therefore, proposers should exercise particular care in reviewing the proposal format required for this RFP.

The Board reserves the right to contact any and all references to obtain, without limitation, information regarding a proposer's performance on previous projects. A sample of references will be checked for each proposer.

## M. Evaluation and Award

The evaluation of the proposals will be based on the following criteria, which may include an oral presentation.

1. A sub-committee, established by the Board, will evaluate the proposals on "a" through "d" below and make a recommendation for finalists to the Board. A total score of 1-10 (with 10 being the highest) will be assigned for "a" to "d," which is based on an evaluation of Section III of this RFP only. Each individual member of the sub-committee will provide a score of between 1-10 for each proposal received. The sub-committee will evaluate the proposals and may also ask questions of a clarifying nature from proposers as required. Based on the top combined scores, a short-list of no more than three will be selected as finalist for presentations.
  2. The full Board will interview the selected finalists and evaluate each presentation ~~based on evaluation criteria "e" below~~. During the interview presentations, the Board will review the experience of the service team, the implementation approach, the ability to communicate with participants and the Board, and the overall understanding of service requirements. Collectively, priority order will be assigned 1-3 (with 3 being the highest) by the Board based on the quality of the presentation. When finalist presentations are made, it is expected that each proposer will bring to the meeting those people who will work directly with the Board, if the proposer is successful.
  3. When the Board has tentatively selected a proposer(s), it may request a conference call for discussion and to clarify specific matters. The Board reserves the right to reject any and all proposals and to accept the proposal(s) the Board considers most advantageous. All proposals will become the property of the Plans.
  4. At the conclusion of discussions, the ~~proposer~~offeror(s) may be asked to submit in writing, a Best And Final Offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the offeror(s).
  5. Note: Proposers are discouraged from submitting inflated pricing in their original response in anticipation of price negotiation and the use of a BAFO process. The BAFO process may or may not be used, or may be used on a case-by-case basis to negotiate services, deliverables, pricing terms conditions, etc. with individual ~~proposers~~respondents. Placing inflated pricing in your original response may produce a low scoring result, which prevents your proposal from reaching the negotiation stage of the evaluation process.
- The Board will make the final decision of award. The final award will be subject to the execution of a service contract acceptable to the Board and City. ~~The City of Rockville reserves the right to make multiple awards as best serves the interests of the Plans. The~~

~~Board may also pick and choose amongst all services offered in any manner that best serves the interests of the Plans' participants.~~

7.6. The Board may cancel this Request for Proposal or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

Evaluation Criteria (following criteria will be evaluated based on proposers responses within section III of this RFP)	Possible Points
a. <u>Organization and references</u>	10 Points (“a” to “e”)
<del>a-b.</del> Participant Services	
<del>b-c.</del> Recordkeeping Systems and Data Security	
<del>e-d.</del> Communication/Education Programs	
<del>d-e.</del> Fees	
Evaluation <del>Criteria</del>	Possible Ranking
(the following <del>presentations criteria</del> will be evaluated based on the finalists interviews/presentations as outlined in item 2 above)	
<del>e-f.</del> Finalist Interview/Presentations	1-3

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Note: the scores received for criteria a-~~d~~e will not carry forward to the interview process and each interviewee will be ranked on presentations and responses both written and oral to the Board’s questions.

N. Working Relationships

The successful proposer will be expected to work closely with the Board and its consultants to identify cost-savings and improvements to the Plan.

O. Exceptions/Additions

Any language which differs from this RFP that is used or suggested by a proposer will be submitted for clarification only, and shall not affect the proposer’s acceptance of the terms and conditions of this RFP and shall not be binding on the Board unless affirmatively accepted by the Board in writing. The Board assumes no obligation to accept, reject, or negotiate proposed replacement terms or conditions with the successful proposer.

The proposer is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in the Request for Proposal before submitting the proposal; otherwise the right to raise such issues shall be waived.

## **SECTION II.**

### **Plan Provisions**

### A. 401(a) Plan Provisions Thrift Plan (DC)

<b>Plan Name:</b>	City of Rockville	
<b>Plan Type:</b>	Defined Contribution Plan	
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850	
<b>Plan Year:</b>	July 1 through June 30	
<b>Eligibility:</b>	Eligible to join the Plan on 1 <sup>st</sup> day of employment if the mandatory contribution requirement is made and an employee: <ul style="list-style-type: none"><li>• is an administrative personnel hired on or after 4/15/1986</li><li>• is a union employee hired on or after 12/2/1986</li></ul>	
<b>Eligible Employees:</b>	There are approximately <b>450</b> eligible employees	
<b>Employment Locations:</b>	111 Maryland Avenue Rockville, Maryland 20850	146 <del>2</del> <b>45</b> Rothgeb Drive Rockville, Maryland 20850
<b>Definition of Compensation:</b>	Base pay including longevity pay	
<b>Thrift Plan Contribution Types:</b>		
<b>Employee Pre-Tax:</b>	1-5% of compensation	
<b>Employer Match</b>	50% of the employee pre-tax contribution amount	
<b>Vesting:</b>	Employee contributions: 100% vested	
	Employer contributions: 100% with 3 years credited service	
<b>Benefit Payment Events:</b>	Normal or early retirement as defined by Plans Death Disability Termination of employment Must cease employment to receive this benefit	
<b>Loans:</b>	Not Available	

**B. Plan Demographic Information: 401(a) Defined Contribution**

1. **Frequency of contributions (weekly/bi-weekly/monthly):** Bi-Weekly
2. **Medium used to remit contributions files (electronic, disk, magnet tape, etc.):**  
Electronic
3. **Funding method (check, wire, ACH):** ACH
4. **Number of payroll locations:** 1
5. **Number of payroll files:** 1 (26/year)

Participation Breakdown	
	2017
Total Inactive	143
Actively Contributing	451
<b>Total Accounts</b>	<b>594</b>

Total Plan Cash Flow	
	2017
Contributions	\$2,098,491
Withdrawals	\$1,062,672
<b>Net Cash Flow</b>	<b>\$1,035,819</b>

Stable Value Cash Flow	
	2017
Contributions	\$259,799
Withdrawals	\$258,803
<b>Net Cash Flow</b>	<b>\$996</b>

Stable Value Participant Participation	
	2017
Under age 25	\$30
Age 25 – 35	\$199,921
Age 36-45	\$490,502
Age 46-55	\$1,714,713
Age 56-65	\$2,328,268
Age 65-70.5	\$498,409
Age 71-80	\$157,020
Age 80+	\$2,306

Participant Information	12/31/2017
Number of participants active and contributing	451
Number of participants active, not contributing	0
Number of terminated participants w/balances	143
Number of terminated participants w/balances less than \$5,000	31
Number of participants suspended due to hardship	0
Total account balances - participants active and contributing	\$28,290,261
Total account balances - terminated participants w/balances	\$6,213,110
Average account balance	\$59,426
Managed account balance, if applicable	0
Managed account participants, if applicable	0

#### Transaction Activity

	2017
Number of new participants	36
Number of hardship withdrawals	0
Number of lump sum distributions	34
Number of recordkeeper IRAs opened	0
Number of minimum required distributions	6
Number of QDROs	0

#### Contributions/cash-in

	2017
Employee Pre-tax	\$1,398,995
Roth	0
Employer Match	\$699,495

Withdrawals/cash-out

	2017
Lump sum distributions – cash out	\$268,146
Lump sum distributions – rollover	\$756,502
Distributions of small account balances (less than \$5,000)	N/A
Installment payments	0
Unforeseeable/Hardship withdrawals	0
Fees (i.e., <del>loans</del> , self-directed brokerage)	\$52,989

### C. Information Regarding the 457(b) Plan Deferred Compensation

<b>Plan:</b>	City of Rockville
<b>Plan Type:</b>	Deferred Compensation Plan
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850
<b>Plan Year:</b>	July 1 through June 30
<b>Eligibility:</b>	Eligible to join the Plan if you make voluntary deferrals: <ul style="list-style-type: none"> <li>• Eligible to enter the Plan on the first day of employment</li> </ul>
<b>Eligible Employees:</b>	There are approximately <b>520</b> eligible employees
<b>Employment Locations:</b>	111 Maryland Avenue      14645 Rothgeb Drive Rockville, Maryland 20850      Rockville, Maryland 20850
<b>Definition of Compensation:</b>	Base pay including longevity pay, any lump sum payment, buyback etc.
<b>Vesting:</b>	Employee contributions: 100% vested
<b>Benefit Payment Events:</b>	Normal or early retirement as defined by Plans Death Disability Termination of employment Must cease employment to receive this benefit
<b>Loans:</b>	Not Available

**D. Plan Demographic Information: 457(b)**

1. **Frequency of contributions (weekly/bi-weekly/monthly):** Bi-Weekly
2. **Medium used to remit contributions files (electronic, disk, magnet tape, etc.):**  
Electronic
3. **Funding method (check, wire, ACH):** ACH
4. **Number of payroll locations:** 1
5. **Number of payroll files:** 1 (26/year)

Participation Breakdown	
	2017
Total In Active	82
Active not contributing	56
Actively Contributing	142
<b>Total Accounts</b>	<b>280</b>

Total Plan Cash Flow	
	2017
Contributions	\$2,081,750
Withdrawals	\$1,628,274
<b>Net Cash Flow</b>	<b>\$453,476</b>

Stable Value Cash Flow	
	2017
Contributions	\$158,379
Withdrawals	\$529,369
<b>Net Cash Flow</b>	<b>(\$370,990)</b>

Stable Value Participant Participation	
	2017
Under age 25	\$29
Age 25 – 35	\$10,717
Age 36-45	\$70,327
Age 46-55	\$1,119,324
Age 56-65	\$2,485,390
Age 65-70.5	\$1,195,119
Age 71-80	\$1,330,376
Age 80+	\$280,611

Participant Information	12/31/2017
Number of participants active and contributing	142
Number of participants active, not contributing	56
Number of terminated participants w/balances	82
Number of terminated participants w/balances less than \$5,000	4
Number of participants suspended due to hardship	0
Total account balances - participants active and contributing	\$12,583,140
Total account balances - terminated participants w/balances	\$10,127,484
Average account balance	\$92,341
Managed account balance, if applicable	0
Managed account participants, if applicable	0

#### Transaction Activity

	2017
Number of new participants	56
Number of hardship withdrawals	0
Number of lump sum distributions	24
Number of recordkeeper IRAs opened	0
Number of minimum required distributions	14
Number of QDROs	0
Number of rollovers <i>into</i> the plan	15

#### Contributions/cash-in

	2017
Employee Pre-tax (total including Catch-up and Post-tax)	\$1,216,052
Roth	\$43,398
Employer Match	0
Rollover Contributions	\$822,370

Withdrawals/cash-out

	2017
Lump sum distributions – cash out	\$315,550
Lump sum distributions – rollover	\$1,043,196
Distributions of small account balances (less than \$5,000)	N/A
Installment payments	\$178,439
Unforeseeable/Hardship withdrawals	0
Fees (i.e., <del>loans</del> , self-directed brokerage)	\$25,136

**E. Market Values as of December 31, 2017**

Asset Class	Fund	Ticker Symbol	401(a) Assets	457(b) Assets
Stable Value	Diversified SAGIC II	N/A	\$5,391,165	\$6,491,899
Domestic Fixed Income	Vanguard Total Bond Market	VBTLX	\$369,108	\$743,900
Domestic Fixed Income	Western Asset Core Plus Bond	WAPSX	\$2,248,869	\$868,004
Global Fixed Income	Brandywine Global Intl Opportunities Bond	LMOTX	\$67,196	\$27,963
Principal Diversified Real Asset Inst	Principal Diversified Real Asset	PDRDX	\$46,781	\$423
Large Cap Value	T. Rowe Price Equity Income	REIPX	\$2,177,482	\$1,375,099
Large Cap Core	Vanguard 500 Index	VFIAX	\$4,602,768	\$2,054,601
Large Cap Growth	Fidelity Contrafund	FCNTX	\$1,964,698	\$5,067,077
Mid Cap Core	Vanguard Mid Cap Index	VIMAX	\$278,288	\$686,013
Mid Cap Core	JP Morgan Intrepid Mid Cap	WOOPX	\$354,607	\$1,017,330
Small Cap Core	Vanguard Small Cap Index	VSMAX	\$592,943	\$267,841
Small Cap Core	Voya Small Company	ISMZX	\$2,048,354	\$317,734
International Equity	Harbor International	HAINX	\$1,993,256	\$316,630
International Equity	Vanguard Total Int'l Stock Index	VTIAX	\$257,041	\$778,890
Emerging Markets Equity	Oppenheimer Developing Markets	ODVIX	\$165,738	\$45,292
REITS	Nuveen Real Estate Securities	FREGX	\$190,520	\$90,324
Target Date	American Funds 2010 Retirement	RFTTX	\$13,651	\$216,517
Target Date	American Funds 2015 Retirement	RFJTX	\$285,361	\$327,166
Target Date	American Funds 2020 Retirement	RRCTX	\$1,245,209	\$1,580,639
Target Date	American Funds 2025 Retirement	RFDTX	\$2,170,734	\$1,340,828
Target Date	American Funds 2030 Retirement	RFETX	\$2,642,954	\$472,487
Target Date	American Funds 2035 Retirement	RFFTX	\$1,663,814	\$738,344
Target Date	American Funds 2040 Retirement	RF GTX	\$1,474,942	\$737,368
Target Date	American Funds 2045 Retirement	RFHTX	\$1,604,731	\$299,488
Target Date	American Funds 2050 Retirement	RFITX	\$ 552,370	\$139,206
Target Date	American Funds 2055 Retirement	RFKTX	\$186,890	\$2,204
Target Date	American Funds 2060 Retirement	RFUTX	\$55,733	\$1,237,473
<b>Total</b>			<b>\$34,645,202</b>	<b>\$27,240,737</b>

*The Board expects proposers to be able to record keep the same line-up as above. If the Stable Value option cannot be record kept, the Board will work with the proposer on alternative options.*

**F. Union Employees Pension Plan (DB) Provisions**

<b>Plan Name:</b>	City of Rockville Pension Plan for Union Employees
<b>Plan Type:</b>	Defined Benefit Plan
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850
<b>Plan Year:</b>	July 1 through June 30
<b>Required Contributions:</b>	Before December 1, 1986 - 4.2% of compensation  <i>(Closed Group) No current actives</i>  On and after December 1, 1986 – 0% to the DB benefit portion for participating in the Thrift Plan Option (1 – 5% of compensation required for Thrift Plan)
<b>Earned Benefit:</b>	1.8% of final average earnings times credited service <i>(Closed Group Calculation)</i>  <i>1.0% of final average earnings times credited service (Active Group)</i>
<b>Sick Leave:</b>	Employees hired prior to July 1, 2015 could make a choice between a cash payout and converting sick leave hours to service credit. A cash payout is no longer an option and the service credit conversion is capped at one year.
<b>Final Average Earnings:</b>	Average of monthly earnings during the 36 consecutive months, which give the highest average out of the 120 latest months
<b>Eligible Employees:</b>	There are approximately <b>100</b> eligible employees
<b>Vesting:</b>	Employee contributions: 100% vested  Employer contributions: Prior to 7/1/2011 -100% vested after earlier of 10 years of service or reaching Normal Retirement Age. After 7/1/2011 - 10 years of service and reaching Normal Retirement Age.
<b>Benefit Payment Events:</b>	Normal Retirement (if hired before 7/1/2011 - age 60. If hired 7/1/2011 – later of age 65 and 10 years of credited service)  Early retirement (if hired before 7/1/2011 - later of 50th birthday and 10 years credited service. If hired on or after 7/1/2011 – later of 58th birthday and 10 years of credited service)  Deferred retirement (after Normal Retirement Date)  Death
<b>Forms of Benefit:</b>	Life Annuity with 10 year certain period 50 %, 66 2/3 %, and 100 % Survivorship Annuities

### G. Police Employees Pension Plan (DB) Provisions

<b>Plan Name:</b>	City of Rockville Pension Plan for Police Employees																
<b>Plan Type:</b>	Defined Benefit Plan																
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850																
<b>Plan Year:</b>	July 1 through June 30																
<b>Required Contributions:</b>	8.5% of compensation																
<b>Earned Benefit:</b>	<p>Lesser of:</p> <p>2.0% of final average earnings times credited service prior to 4/1/04 plus 2.25% of final average earnings times credited service on or after 4/1/04 or</p> <p>67.5% of final earnings</p>																
<b>Sick Leave:</b>	Employees hired prior to July 1, 2015 could make a choice between a cash payout and converting sick leave hours to service credit. A cash payout is no longer an option and the service credit conversion is capped at one year.																
<b>Final Average Earnings:</b>	Average of monthly earnings during the final 60 months of employment																
<b>Eligible Employees:</b>	There are approximately <b>58</b> eligible employees																
<b>Vesting:</b>	<p>Employee contributions: 100% vested</p> <p>Employer contributions:</p> <table border="1"> <thead> <tr> <th>Years</th><th>Percent Vested</th></tr> </thead> <tbody> <tr> <td>&lt;5</td><td>0%</td></tr> <tr> <td>5</td><td>50%</td></tr> <tr> <td>6</td><td>60%</td></tr> <tr> <td>7</td><td>70%</td></tr> <tr> <td>8</td><td>80%</td></tr> <tr> <td>9</td><td>90%</td></tr> <tr> <td>10+</td><td>100%</td></tr> </tbody> </table>	Years	Percent Vested	<5	0%	5	50%	6	60%	7	70%	8	80%	9	90%	10+	100%
Years	Percent Vested																
<5	0%																
5	50%																
6	60%																
7	70%																
8	80%																
9	90%																
10+	100%																
<b>Benefit Payment Events:</b>	<p>Normal Retirement (earlier of age 60 or 25 years of credited service)</p> <p>Early retirement (later of 50th birthday or 10 years credited service)</p> <p>Deferred retirement (after Normal Retirement Date)</p> <p>Death</p>																
<b>Forms of Benefit:</b>	<p>Life Annuity with 10 year certain period</p> <p>Survivorship Annuities</p>																

## H. Administrative Employees Pension Plan (DB) Provisions

<b>Plan Name:</b>	City of Rockville Pension Plan for Administrative Employees
<b>Plan Type:</b>	Defined Benefit Plan
<b>Plan Sponsor:</b>	City of Rockville 111 Maryland Avenue Rockville, Maryland 20850
<b>Plan Year:</b>	July 1 through June 30
<b>Required Contributions:</b>	5.2% of compensation ( <i>Closed Group</i> )  Those participating in Thrift Plan Option on and after 4/1/1996 – 1% of compensation
<b>Earned Benefit:</b>	Final average earnings times credited service prior to April 1, 1996 multiplied by 1.8% plus final average earnings times credited service on and after April 1, 1996 multiplied by 2.0% ( <i>Closed Group Calculation</i> )  Those participating in the Thrift Plan Option – 1.8% of final average earnings times credited service prior to 5/31/1986, plus 1.0% of final average earnings times credited service after 5/30/1986 and before 4/1/1996, plus 1.2% of final average earnings times credited service after 4/1/1996.
<b>Sick Leave:</b>	Employees hired prior to July 1, 2015 could make a choice between a cash payout and converting sick leave hours to service credit. A cash payout is no longer an option and the service credit conversion is capped at one year.
<b>Final Average Earnings:</b>	Average of monthly earnings during the 36 consecutive months, which give the highest average out of the 120 latest months
<b>Eligible Employees:</b>	There are approximately <b>345</b> eligible employees
<b>Vesting:</b>	Employer contributions: Prior to 7/1/2011 -100% vested after earlier of 10 years of service or reaching Normal Retirement Age. After 7/1/2011 - 10 years of service and reaching Normal Retirement Age.
<b>Benefit Payment Events:</b>	Normal Retirement (if hired before 7/1/2011 - age 60. If hired 7/1/2011 – later of age 65 and 10 years of credited service)  Early retirement (if hired before 7/1/2011 - later of 50th birthday and 10 years credited service. If hired on or after 7/1/2011 – later of 58th birthday and 10 years of credited service)  Deferred retirement (after Normal Retirement Date)  Death
<b>Forms of Benefit:</b>	Life Annuity with 10 year certain period 50 %, 66 2/3 %, and 100 % Survivorship Annuities

## **SECTION III.**

### **Request for Proposals Questionnaire: Administrative Services**

A. Organization and References

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1. Proposer Information: Provide a brief overview of your organization. The narrative shall include the following:
- a) Date established;
  - b) ownership (public, partnership, subsidiary, etc.);
  - c) years active in the public 401(a) market;
  - d) years active in the public 457(b) market;
  - e) years active in the defined benefit administration market; and
  - f) relationships with other entities relevant to or related to the subject matter of this RFP.
2. Provide the following information:
- a) Total assets under administration
  - b) Total 401(a) assets under administration
  - c) Total 457(b) assets under administration
  - d) Total public 401(a) assets under administration
  - e) Total public 457(b) assets under administration
  - f) Total defined benefit assets under administration
  - g) Total public defined benefit assets under administration

Total public defined benefit assets under administration

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3. Provide a representative list of five, similar public sector defined benefit, and deferred compensation clients for whom you provide administrative services. Proposer's must be providing all requested services holistically to the named clients below for a minimum of five years each.

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<u>Client Names</u>	<u>Total Participants</u>	<u>Total Assets</u>	<u>Length of Relationship</u>

4. List the number and total assets of the public 401(a) defined contribution plans that you currently administer in the following categories:

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	<u>Plans</u>		<u>Assets</u>	
<u>Number of Participants</u>	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Under 500</u>				

<u>501 – 1,000</u>				
<u>1,001 – 5,000</u>				
<u>5,001 +</u>				
<u>Total</u>				

5. List the number and total assets of the public 457(b) plans that you currently administer in the following categories:

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<u>Number of Participants</u>	<u>Plans</u>		<u>Assets</u>	
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Under 500</u>				
<u>501 – 1,000</u>				
<u>1,001 – 5,000</u>				
<u>5,001 +</u>				
<u>Total</u>				

6. List the number and total assets of the public defined benefit pension plans that you currently administer in the following categories:

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<u>Number of Participants</u>	<u>Plans</u>		<u>Assets</u>	
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Under 100</u>				
<u>101 – 200</u>				
<u>200 +</u>				
<u>Total</u>				

7. What are your client retention statistics for each of the last three years broken out by year and by defined contribution and defined benefit? What percentage left due to issues pertaining to services provided by your organization?

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8. Has your company, or any affiliates, been a party to any litigation during the last three years involving your deferred contribution recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation, 3) any fines or settlements paid.

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## B. Participant Services

**Automated Voice Response System (VRS)**

1. Are there any transactions that cannot be processed through the voice response system (i.e., PIN changes, address changes, etc.)?
2. How quickly is the VRS updated after transactions are performed?
3. Can participants request contribution deduction changes through the VRS? (Yes/No) Can you provide a feedback report back to the City and any local subdivision to update their payroll records and contribution changes? (Yes/No) How frequently?
4. Describe how data is secured within the system (i.e., PIN, audit trail, confirmations).
5. Describe any security breaches that resulted in improper access to one or more participant's accounts within the last three years.
6. Do you use a different system for defined benefit pension plans? If so, provide responses to 1-5 above specific to the system.

**1-800 Customer Service Center**

1. What are the standard hours of operation of your customer service center?
2. Are there any transactions that cannot be processed through the customer service center?
3. Can participants change their PIN through a CSR? Can PINs be reset and immediately provided to a participant during the call? Can participants who misplace their PIN call the customer service center and have a new PIN sent directly to their home address?
4. Provide the following information on your customer service reps:
  - a) Licensing requirements in addition to your training program
  - b) Relationship: employees or outside contractors
    - i. If contractors or a combination, include the percentage of each & duration of subcontractor agreement
  - c) Average tenure
  - d) Total CSR agents employed year-round basis
  - e) Compensation structure
5. Do the same call center staff respond to both deferred compensation and defined benefit calls? If not, describe how representatives will be able to assist the Plans' participants on all aspects of their retirement.

**Internet Services**

1. Briefly describe your participant website capabilities.
2. Specify any transactions that cannot be completed via your website.
3. Do you have a mobile app or mobile optimized website? (Yes/No) Are the limitations to the functionality versus the full site? (Yes/No) If yes, what?
4. What education materials or tools do you offer the Plan participant via the Internet?

5. Describe the security through which a participant passes to use your Internet system. What firewalls do you have in place for your Internet services?
6. Are participants able to access a single website to receive information and education on all their retirement plans (401(a) (DC) , 457(b) and Pension (DB)? If not, how do you make the web experience seamless for participants?
7. Do participants see a monthly retirement income projection when they log in? (Yes/No) If yes, does it incorporate both their DC and DB benefits? (Yes/No) If it does not include a DB projection, what would you need to it to be included?
8. Do your mobile capabilities pertain to all plan types?

#### **Participant Reporting**

1. Are you able to provide a combined statement to participants that have accounts in the 401(a) (DC), 457(b) and/or Pension (DB)? (Yes/No). Briefly describe the information typically provided.
- 4.2. Provide a sample of a consolidated DC/DB statement.
- 2.3. Do you include an income projection on your statements? (Yes/No). If yes, does it include both a DC & DB projection? (Yes/No) If it does not include a DB projection, what would you need to it to be included?
- 3.4. Confirm your ability to send annual pension statements to all participants, active and those vested and terminated.
- 4.5. Are the any differences between your hard copy statements and the statements available online? (Yes/No) If yes, briefly describe the differences.
- 5.6. Describe your customization capabilities for branding participant statements. Are these applied to both hard copy and electronic statements? (Yes/No)
- 6.7. How much space is there for customized messages from the Board on your quarterly and annual participant statement? Is this included on both hard copy and electronic statements? (Yes/No) Is there an additional cost?
- 7.8. Can you include other printed information, prepared by the Board, with the mailing of statements to participants? (Yes/No) Is this included on both hard copy and electronic statements? (Yes/No) If so, please verify that this service is available at no additional cost.
- 8.9. Are fees disclosed to plan participants on the quarterly statements? (Yes/No) Do they comply with 404(a)(5)? (Yes/No) What additional fee disclosure, if any, do you provide?

## BC. Recordkeeping & Data Security

### Recordkeeping / Administration

1. What portion of your organization's expenses is related to recordkeeping and system technology development?
2. Are you able to accommodate web-based uploads and downloads for data transmission?
3. Describe how your payroll contribution reports identify participants contributing up to the current maximum contribution and identify participants in catch-up status?
4. Describe your process for searching for participants who have not cashed their distribution payment checks.
5. Do you impose limits on any participant initiated transactions (i.e.: mix changes, contribution rate changes, etc.)? If yes, what?
6. Briefly describe your ability to archive or view the prior provider's historical data files (e.g. QDROs, distributions, RMDs, grandfathered benefits, etc.)  
For defined benefit pension plans:
7. What is your systems capability to provide employee self-service access? What modeling of DB plan and any other retirement benefits is accommodated in your system? Is an employee able to access and model their own pension benefits on-line through a secure portal? Is there sufficient flexibility to accommodate plan-specific provisions such as Sick Leave conversions?
8. Does your system benefit calculator generate a pension worksheet illustrating the detail on how the benefit was calculated (provide examples)? Is the same worksheet back-up provided for employee self-service as for your administration services group?
9. List the types of early retirement factors your system can handle (i.e. actuarial equivalent, simplified, subsidized early, etc.). Can your system apply different early retirement factors to different eligibility requirements (like benefits accrued before and after a specific date and/or for retirement from different statuses)? How does your system handle the determination of the achievement of special unreduced early retirement provisions (like the "Rule of 85")? Do you have other clients with special early retirement provisions in their plan?
10. What is the extent of your actuarial support, if needed, during day-to-day administration for such things as actuarial equivalent calculations, QDRO split calculations, etc.?
11. Provide the number of outside mutual fund family alliances with which you have relationships. Approximately how many investment options does this represent?
12. Provide the number of commingled investment trust investment options you have available on your platform. What asset classes does this represent?

10.13. If you were to receive the stable value/fixed account assets, what product would you recommend? Confirm the type (e.g. separate account, group annuity, general account, commingled, etc.).

#### **Systems Capabilities and Hardware**

1. What system do you use to recordkeeper and administer deferred compensation and defined benefit plans? Do you have different systems for each? (Yes/No) If yes, briefly describe any differences.
2. Was the software developed internally, leased, or purchased from another provider? Who has the ultimate responsibility/authority to make sure the software remains current to laws, regulations, client needs, etc.?
3. How long have you used these systems for recordkeeping?
4. Are you planning any major change in the software or hardware supporting your recordkeeping system in the next 24 months? If yes, please describe.
5. How often is data backed-up?
  - a) Describe any system outages within the last three years and how have they been handled?
  - b) Has any liability resulted from these outages and are there any pending claims related to these outages?
6. Briefly describe how you test your system security? Do you also conduct a SOC-2 IT audit? If so, who completes the audit and how frequently?

#### **Data Security (applies to both DC & DB systems)**

1. Describe in detail your procedures and safeguards used to guarantee:
  - a) Security for your hardware and facility
  - b) Authorized access to data
  - c) Confidentiality of data
  - d) Security for any hard copy of plan-related data or documents
2. For your website, briefly address:
  - a) Any documented security requirements for your web application
  - b) Whether your application prevents the browser from caching sensitive information?
  - c) Whether cookies are used for authentication within the application & whether the cookie paths and domain parameters restricted as appropriate for each application
3. Are concurrent sessions with one session ID prevented?
4. How is the user's identity properly authenticated, when a change in authority or a password is reset?
5. Do you utilize a Secure File Transfer Protocol (SFTP) when exchanging information with the client?

6. Does the application lock out User IDs after a predetermined number of invalid logon attempts?

## **ED. Communication & Education**

### **Programs and Resources Provided**

1. Describe separately your initial and on-going communication and education program (including printed material, visits, training, etc.). Be sure to identify the key elements provided as part of a standard communication and education program package.
2. Describe the services you offer in the enrollment process. How are participants able to enroll?
3. Describe the communication and education process that you provide for non-active participants (i.e. retirees and terminated employees with assets in the Plan).
4. Do you provide information to Plan participants regarding options on distributions? Describe any services or programs you provide for participants leaving the Plans.
5. Describe the Board's role in the communication, education and enrollment process.
6. To what extent can the Board customize communication and investment education materials (e.g., plan name, logos)? Please state if there would be additional charges for customizing or editing these communication materials.
7. Briefly describe how you measure the effectiveness, other than surveys, of your communication/education programs?

### **Field Service Representatives**

1. How many field service representatives are you dedicating to the Plans? Will they be 100% full-time dedicated representatives? If not, what percentage of their time will be spent meeting with the Plans' participants.
2. Describe the structure of how the field service representatives would be organized to service this relationship:
  - a) Location
  - b) Staffing (including functions to be performed)
  - c) Standard hours of operation
  - d) How you would handle pre-scheduled consultations?

e) How you would handle walk-ins?

3. Are field representatives able to provide education and guidance on both the defined contribution and defined benefit plans?
4. Detail the compensation structure for the local representative (e.g. 85% salary, 15% bonus). Include an explanation of how any bonuses and incentives are determined. As indicated in the minimum service qualifications in Section 1, it is a requirement that your field service representatives that provide enrollment and education services are not compensated on a commissioned or incentive basis to promote any investment product or services.
5. Identify the annual number of group meetings and number of one-on-one consultations you have assumed will be provided by the field service representatives.

#### **E. Investment Advisory**

1. Describe the investment advisory services you utilize (i.e., Morningstar ClearFuture, Financial Engines, etc.), including managed accounts.
2. How long have you partnered with your current vendor for each of the services in your advisory program?
3. What are the costs associated with the advisory services? Is it based on total plan level for all participants or only charged to participants who elect service?
4. Does your service:
  - a. Produce asset allocation recommendations (Yes/No)
  - b. Provide recommendations of specific funds (Yes/No)
  - c. Include savings rate recommendations (Yes/No)
  - d. Take into account outside assets (Yes/No)
5. Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, briefly describe & note how you manage conflicts of interest.

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#### **F. Implementation**

6. Explain your implementation/conversion process including timeframe.
7. What involvement will be required from the Plans during the implementation process?
8. What assurances/guarantees do you provide with respect to a timely implementation?

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#### **DE. Fees**

1. What are the start-up/implementation costs, operating costs, and plan termination costs?
2. What are the factors you consider in determining future fee changes ~~decreases~~ and when they are to occur?
3. If a participant has multiple accounts in the Plans, will they be charged for each account?

4. Provide alternatives not outlined in this proposal that could result in the lowering of participant fees. Be clear in your response and provide the condition and the result.
5. Be specific If you were to receive proprietary stable value, w What is the total estimated revenue that you would expect to receive from the ~~stable value~~ fund?
6. Briefly describe your fee leveling capabilities.
7. For returning revenue sharing to participant accounts, how frequently do you calculate the amount and how often is it returned to participants?

**Defined Contribution Fee Schedule  
(Assuming Proprietary Stable Value)**

*Ultimately the cost of this search and the City's administrative requirements will need to be included in the fee charged to participants. At this stage, your pricing should only include your required revenue.*

**Please provide pricing for the following two scenarios:**

Per Participant Fee	Amount	Assumptions Underlying the Amount
401(a)		
457(b)		

**Defined Contribution Fee Schedule**  
**(Assuming Third Party Stable Value)**

Per Participant Fee	Amount	Assumptions Underlying the Amount
401(a)		
457(b)		

Vendor Name: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_

**Defined Benefit Fee Schedule**

*Ultimately the cost of this search and the City's administrative requirements will need to be included in the fee charged to participants.*

Of the \$100 million in the Plan, approximately \$75 million is potentially available to transfer. \$25 million is pledged against liabilities.

Please provide pricing for at least one of the following scenarios. You may propose pricing for more than one scenario and also propose your best idea approach. Please detail all assumptions.

Per Participant Fee*	Amount (\$)	Assumptions Underlying the Amount
No assets transfer to the platform		
\$12M transfer to the platform with \$5M into proprietary funds		
\$55M transfer to platform with \$22M into proprietary funds		
\$62M transfer to the platform with \$25M into proprietary funds		
\$75M transfer to the platform with \$30M into proprietary funds		

\* Should not include any ongoing reimbursement or credit allowances in your required fee.

\*Please note the assumptions used for the proprietary funds.

1. Please include a fee schedule and provide all fee disclosures and annual minimum fee requirements within each per Participant Fee category referenced above, (if applicable).
2. Please show your fee calculations and assumptions.
3. Please disclose other custody/trustee/administrative fees charged to the DB Plan in addition to the per participant fee (if applicable).

Commented [CCS7]: I've been debating this since we set-up, but should we maybe move to the question section of the fees?

Vendor Name: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_

Additional Fees

Please clarify that all services to be provided are included within the quoted costs and that any which of the fees listed below are included in the base

recordkeeping fee above and which would be additional fees where needed are in additive fees.

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Plan Level

Services	Fee	Comments
Plan Set-up/Installation (one-time fee)		
Investment advisory services		
Managed accounts		
Plan documents (outside of prototype)		
5500 services		
Check processing		
1099-R forms		
Postage		
Custom website set-up		
Custom website ongoing		
Employee communication & education:		
Customized enrollment materials		
Customized periodic newsletter	-	-
Customized communications		
Annual notifications to eligible participants		
Termination Fees		
Other (be specific)		

Participant Level

Services	Fee	Comments
Investment advisory services		
Managed accounts		
Hardship Qualifications		
DRO Qualifications		
Wire Fees		
Other (be specific)		

## **~~SECTION IV.~~**

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### **~~Request for Proposals Questionnaire: Administrative Services Additional Information~~**

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## A. Plan Implementation

1. ~~Explain your implementation/conversion process including timeframe, based upon a January 1, 2019 with an "in kind" transfer method, which will not require an initial re-enrollment.~~
2. ~~By what date would you need authority to proceed to accommodate a January 1, 2019 asset and recordkeeping transfer?~~
3. ~~What involvement will be required from the Board and City during the implementation process?~~
4. ~~Is the transition team different from the ongoing service team? If yes, briefly describe the team's experience with deferred compensation and defined benefit conversions.~~
5. ~~Do you have any limitations as to the format/media of participant data?~~
6. ~~How do you ensure data integrity and reconciliation of data? Briefly describe the processes utilized.~~
7. ~~How are distributions handled to accommodate the continuity of payments to retirees during the conversion period?~~
8. ~~Describe your procedures during the conversion period to communicate with non active employees (i.e. retirees and terminated employees with balances or vested benefits in the Plan).~~
9. ~~What assurances/guarantees do you provide with respect to a timely implementation?~~
10. ~~What is the standard length of your blackout period?~~

## B. Recordkeeping and Administration Services

### Organization and History

1. ~~**Proposer Information:** Provide a brief overview of your organization. The narrative shall include the following:~~
  - a) ~~date established;~~
  - b)a) ~~ownership (public, partnership, subsidiary, etc.);~~
  - c)a) ~~years active in the public 401(a) market;~~
  - d)a) ~~years active in the public 457(b) market;~~
  - e)a) ~~years active in the defined benefit administration market; and~~
  - f)a) ~~relationships with other entities relevant to or related to the subject matter of this RFP;~~
- 2.1. ~~Provide the following information:~~
  - a) ~~Total assets under administration~~
  - b)a) ~~Total 401(a) assets under administration~~
  - c)a) ~~Total 457(b) assets under administration~~
  - d)a) ~~Total public 401(a) assets under administration~~
  - e)a) ~~Total public 457(b) assets under administration~~
  - f)a) ~~Total defined benefit assets under administration~~

~~Total public defined benefit assets under administration~~

3. ~~What are your client retention statistics for each of the last three years? For those who left, what percentage left due to issues pertaining to services provided by your organization?~~
4. ~~How many public 401(a) plans have you lost in the last three years broken out by year? How many have you gained broken out by year?~~
5. ~~How many public 457(b) plans have you lost in the last three years broken out by year? How many have you gained broken out by year?~~
6. ~~How many public defined benefit plans have you lost in the last three years broken out by year? How many have you gained?~~
7. ~~What is the average client relationship duration? What is the average relationship duration for your public sector defined contribution plans? For your public sector defined benefit plans?~~
8. ~~Provide a representative list of three, similar public sector 401(a) and/or 457(b) clients for whom you provide administrative services.~~
9. \_\_\_\_\_

Client Names	Total Participants	Total Assets	Length of Relationship

10. ~~Provide a representative list of three, similar public sector defined benefit clients for whom you provide administrative services.~~

Client Names	Total Participants	Total Assets	Length of Relationship

11. ~~List the number and total assets of the public 401(a) plans that you currently administer in the following categories:~~

Number of Participants	Plans		Assets	
	Number	Perecent	Amount	Perecent
Under 500				
501—1,000				

1,001—5,000				
5,001+				
Total				

12. List the number and total assets of the public 457(b) plans that you currently administer in the following categories:

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 500				
501—1,000				
1,001—5,000				
5,001+				
Total				

13. List the number and total assets of the public defined benefit plans that you currently administer in the following categories:

Number of Participants	Plans		Assets	
	Number	Percent	Amount	Percent
Under 100				
101—200				
200+				
Total				

14. What is the total number of participants in all public sector defined contribution plans currently being administered by your organization? How many 401(a) participants? How many public 457(b)?
15. What is the total number of participants in all defined benefit plans currently being administered by your organization? How many public sector participants?
16. Describe your errors/omissions liability insurance and coverage. Describe the various types of insurance coverage and indemnification provided to protect clients.
17. Has your company, or any affiliates, been a party to any litigation during the last three years involving your recordkeeping and administration services? If yes, please provide: 1) the nature of the claim or action 2) the current status of the litigation and 3) any fines or settlements paid.

What is the last date when your organization had a change in its business structure, whether through an acquisition or divestiture or through an alliance arrangement? If applicable, how did this change in business affect the recordkeeping division?

19. Describe any pending or anticipated plans to re-organize your company within itself or as part of the larger organization of which your company is a part.

**References**

1. Please provide references for **three current** public sector deferred compensation and **three current** public defined benefit pension plan clients that have similar plan demographics (i.e., size and plan design). If available, at least one of each of the three should have converted within the last year. For each reference, please provide client name, contact name, address, phone number, services provided, and year they became a client.
2. Please provide references for **three former** public sector deferred compensation and **three former** public defined benefit pension plan clients who had similar plan demographics (i.e., size and plan design). At least one of the three should have left within the last year. Please provide former client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).
3. Please provide references for **two former** and **two current** public sector clients where you provided record keeping services for both their deferred compensation and defined benefit pension plan with similar plan demographics (i.e., size and plan design). Please provide client name, contact name, address, phone number, services provided, year they ceased to be a client and the reason(s).

**Client Service / Quality Assurance**

1. How many of your employees work on defined contribution plans? How many specifically work on 401(a) and/or 457(b) plans? Provide a breakdown of the number of full time equivalent employees working on deferred compensation plans as indicated in the chart below:

Personnel Type	Number
Management	-
Call Center Mgmt/Supervisors	-
Customer Service Reps	-
Field Reps	-
Systems Management	-
Systems Staff: Development & Operating/Maintenance	-
Website	-
Other	-

2. How many of your employees work on defined contribution plans? How many specifically work defined benefit pension plans? Provide a breakdown of the number of full time

equivalent employees working on deferred compensation plans as indicated in the chart below:

Personnel Type	Number
Management	-
Call Center Mgmt/Supervisors	-
Customer Service Reps	-
Field Reps	-
Systems Management	-
Systems Staff: Development & Operating/Maintenance	-
Website	
Other	-

What is the average tenure (in years) of the following positions for both defined contribution and defined benefit teams:

- a) ~~Plan Administrator~~
- b) ~~Client Relationship Manager~~
- c) ~~Field Service Representatives~~
- d) ~~Conversion Project Manager~~
- e) ~~800 Customer Service Center Representatives~~

4. ~~Do you currently have staff located in Rockville, MD? If yes, where is your office located? If no, where is the closest office?~~
5. ~~Please describe the team that would deal directly with the Board on an ongoing basis. Indicate staff size, experience and turnover rates. In addition, provide a brief resume for each individual.~~
6. ~~Will the Board have a single point of contact for all issues? If yes, who will that be?~~
7. ~~What location would provide services described in this RFP?~~
8. ~~Will you need to hire any additional staff in order to service this account?~~
9. ~~Briefly describe the training program and licensing requirements for your field service representatives. What are the licensing requirements? Be sure to note whether the same individuals will be able to provide information on both defined contribution and defined benefit plans.~~
10. ~~Briefly describe the training program and licensing requirements for your 800 customer service representatives. What are the licensing requirements? Be sure to note whether the same individuals will be able to provide information on both defined contribution and defined benefit plans.~~
11. ~~Describe your service standards and turnaround time for the completion of the following:~~

Transaction	Turnaround Time	Penalty (\$) for Not Meeting Standard
Issuance of quarterly defined contribution Participant Statements		
Transaction Confirmation Statements		
Hard Copy Plan Level Administrative Reports (hard copies)		
Annual Pension Statement		
Processing Payroll Contributions		
Termination/Rollovers/Direct Transfers for Distribution		
Retirement Benefit Calculations/Estimates		
Fund Balance Transfers		
Investment Election Requests		
Contribution Percentage Elections/Changes		
QDRO Processing		

12. How frequently do you conduct client and participant satisfaction surveys of your services and performance?

#### Recordkeeping / Administration

- Provide copies of your administrative forms used by the plan participants to request transactions. Briefly describe the level of customization for the Plans' needs.
- Can you accept manual edits, adjustments, and indicative data changes to the contribution input file? (Yes/No)
- Can you handle negative data from the payroll files? (Yes/No)
- Are you able to fully process and approve QDROs with the attorneys representing the parties? (Yes/No). Do you outsource this service or is it done internally? Be specific about any role the Plans will play.
- Describe the process you use to track and maintain employee beneficiary data. How is beneficiary information typically submitted?
- Where/how are participants able to verify their current beneficiary?
- How much historical plan information do you maintain on participants? List the type of information available. How much information is immediately available?  
  
For the defined benefit pension plan:
- Provide the detail of your system capability concerning retirement processing with regard to tracking of participant retirement elections and recordkeeping of plan history concerning salary and service.

Provide the detail of your system capability concerning data import and export feeds.

Describe your approach and procedures to determine and maintain data integrity.

10. Does your system calculate 415 limitations on all benefit calculations? Does it track and apply 401(a)(17) limitations? How about the 25 highest paid limitation on lump sum payments?
11. Does your system track and calculate minimum required distribution age 70 1/2 calculations for participants in pay status? Does the system automatically apply actuarial increases for deferred age 70 1/2 payments? Does your system track deferred vested participants approaching age 70 1/2 for proactive notification to secure elections and make timely age 70 1/2 payments?
12. Briefly describe how your system handles suspension of benefits notifications to participants. Does your system handle actuarial increases for suspended benefits for post-NRD payments?
13. Are conversions for optional forms of payment preprogrammed into the system? Are they table driven or calculated on the fly?
14. Does your system allow for production of a valuation data output file? Does your system's benefit calculator allow for production of a group of benefit calculations in batch mode?
15. Is your system database capable of maintaining payroll records for compensation other than plan earnings?
16. How does your system handle plans with multiple benefit formulas where participants can be impacted by more than one formula? How does your system handle benefit formulas for certain participants that differ for different periods of benefit service?
17. How does your system determine plan eligibility from the individual participant indicative data? Is there any limit to the number of identifiers that can be used to determine eligibility?

#### Systems Capabilities and Hardware

1. Describe your documented disaster recovery plan. How often do you test your recovery system?
2. Where is your main data processing center located?
3. Where is your back-up center located?
4. How often is data backed up?
  - a) Describe any system outages within the last three years and how have they been handled?
  - b) Has any liability resulted from these outages and are there any pending claims related to these outages?
5. Provide a current SSAE16 audit of your recordkeeping system, or any other audit you have performed. Who completes the audit and how frequently?

### Regulatory/Compliance Service

1. ~~Briefly describe your ability to provide compliance testing for the Plan and how you address any tests that fail.~~
2. ~~Describe how you monitor §401(a) (9) required minimum distributions including:~~
  - ~~• Identification of individuals~~
  - ~~• Determination of the amount of the minimum required payment~~
  - ~~• Payment within required deadlines.~~
  - ~~• Annual updates for those in pay status.~~
3. ~~Describe your capabilities and timeframes for monitoring maximum deferral limits.~~
4. ~~As part of your service, do you provide an annual benefits file, containing financial and non-financial data by participant? (Yes/No)~~
5. ~~What resources do you have to obtain legal opinions, interpretations of laws, regulations, and other matters on issues pertaining to DC plans?~~
6. ~~Please acknowledge and describe in detail your fiduciary responsibility with respect to the Plans.~~
7. ~~How do you ensure that your recordkeeping system is in compliance with all applicable rules and regulations?~~
8. ~~How quickly are changes in the law reflected in the system?~~
9. ~~Should the Board wish to comply with 408(b)(2) and 404(a)(5) regulations, will you provide 408(b)(2) disclosures to the Board and 404(a)(5) disclosures to participants? (Yes/No) If yes, is there an additional cost?~~
10. ~~If the Board wanted a detailed review conducted of your administration processing over a specific period, would you allow on-site access to the reviewing third party to interview your staff members who perform the administration?~~
11. ~~Provide sample contracts for each contract that you will require the Board to execute.~~

Note: the response to this request for proposal will be incorporated into the contract.

### **C. Custodial Trustee/ Investment Management**

#### Custodial Trustee

1. ~~Do you have a contractual arrangement with a single custodian for the custodial and asset servicing administration of Retirement Plan's assets?~~
  - a) ~~Are the Plans required to establish a direct custody trustee agreement with your custodian provider?~~

If your firm has ~~any~~ ~~multiple~~ ~~offer~~ ~~to~~ ~~provide~~ ~~any~~ ~~general~~ ~~services~~ ~~for~~ ~~relationships~~ ~~you~~ ~~service~~ ~~as~~ ~~a~~ ~~record~~ ~~keeper~~? Please specify.

2. ~~For the custody/trustee services you propose:~~

- a) ~~What is the name of the custodian trust company~~
- b) ~~Years they have been in operation~~

3. ~~Briefly describe your due diligence process in selecting the custodian trust company. Include evaluation methodologies, frequency and reporting accuracy reconciliation verification.~~

4. ~~Provide information on the custodian trust company's financial strength include profitability, capital structure ratios and credit rating outlook as of December 31, 2017.~~

5. ~~What are the total public sector DC and DB assets currently under custody and administration?~~

Trust Custody Experience	
Total Trust/Custody Assets (AUC\$)	-
Total # of Trust/Custody DC Clients	-
Total # of Trust/Custody DB Clients	-
# of Clients under \$100 million	-
# of Clients \$500 million - \$1 billion	-
# of Trust/Custody Clients over \$1 billion	-
Median Public Sector Client Assets (\$)	
Number of Public Sector Clients	

6. ~~Briefly describe the custodian's accounting system and capabilities.~~

7. ~~Briefly describe the custodian's general ledger mapping for servicing public fund clients.~~

8. ~~Are there any restrictions by investment type that pertain to your custodial services? (Yes/No) If yes, what?~~

9. ~~Confirm that you will trustee outside investment funds, and comment on your reporting requirements and restrictions.~~

10. ~~Please fully describe your check distribution process including frequency. Are you able to rush off cycle checks for special situations? If so, are there additional fees for such rush service?~~

11. ~~Do you have a limit on the number of checks/wires available to participants who rollover their distributions or take installments?~~

Do you have an electronic link with the investment managers for updating participants' accounts on the recordkeeping system? Briefly explain your daily updating process.

13. Will the Board be required to execute a custodial agreement with your custodial trustee or will the custodial trustee services be part of the contract with the Plans?

**Investment Management Services**

- Provide the number of outside mutual fund family alliances with which you have relationships. Approximately how many investment options does this represent?
- Provide the number of commingled investment trust investment options you have available on your platform. What asset classes does this represent?
- For any of the Plans, do you have any proprietary investment requirements? If yes, what are they? Be specific which Plan(s) this impacts.
- Is there a cost for making changes to the investment line-up?
- What is the standard timeframe for making changes to the investment line-up?

**Stable Value**

- List the stable value products available on your platform.
- Provide your most recent ratings from A.M. Best, Moody's and S&P.
- What stable value product would you propose for the Plans and why?
- For the proposed product, does old money receive the same rate as new? If not, describe.
- Complete the following charts for the proposed product as of December 31, 2017:

Manager	-
Vehicle	-
Fund Name	-
Fund Inception	-
Fund Assets (\$B)	-
Total Firm Stable Value Assets (\$B)	-
Effective Duration	-
Market-to-Book Value Ratio	-
Gross Crediting Rate <sup>⌘</sup>	-
Net Crediting Rate <sup>⌘</sup>	-
Crediting Rate Reset Frequency	-
Minimum Crediting Rate	-
Recommended Benchmark	-
Benchmark for Underlying Portfolio	-
Expense Ratio	-
Trustee	-

*\* Gross of investment management fees, net of wrap fees, sub-advisory fees and other expenses*

**Book Value Structure**

-	% allocation
Liquidity Buffer	-
Wrap Providers	-
Please list wrap providers below	-
-	-
-	-
-	-
-	-
<b>Total</b>	<b>100%</b>

6. Is wrap capacity contingent on affiliated investment management? (Yes/No)

Fees	-
Investment Management	-
Wrap	-
Revenue Share	-
Other	-
<b>Total Expense Ratio</b>	-

*\* Specify Other*

7. Do you anticipate any changes in wrap fees that would impact the total expense ratio? (Yes/No) If yes, what is the expected impact?

Quality Allocation	%
Cash/cash equivalents	-
AAA	-
AA	-
A	-
BBB	-
Below Inv Grade	-
NR	-
Sector Allocation	%
Cash/cash equivalents	-
U.S. Treasury	-
U.S. Govt Related	-
Corporate	-
Agency MBS	-
Non-agency MBS	-
ABS	-
CMBS	-
Municipal	-
Other	-

8. Fully describe the withdrawal/transfer restrictions for both the Plan and participants.

## **D. Employee Communication/Education and Participant Services**

### **Communication and Education**

1. Provide samples of initial enrollment and on-going communication and education materials.
2. For enrollment, comment on your ability to monitor and track new hires. Outline any data requirements. Will you maintain and control the inventory of all related enrollment materials that are to be included in the enrollment kits?
3. Will you provide participants with onsite, group education and retirement planning sessions or financial/pre-retirement seminars on an on-going basis? (Yes/No). If yes, please list the titles of the subjects that are covered in your program. No description necessary.
4. Briefly describe how you measure the effectiveness, other than surveys, of your communication/education programs?
5. Are you willing to provide customized surveys to assess the success of the education program? (Yes/No).

### **Participant Reporting**

1. Describe your standard participant statements and documents (provide samples for a combined DC/DB, deferred comp arrangement).
2. What time periods are illustrated for a participant's personalized rate of return?
3. Is beneficiary information available on your standard statement? (Yes/No)
4. Are participants able to additionally customize the statements they receive (hard copy or electronic)? (Yes/No)
5. Can statements be provided to participants on an on-demand basis?
6. How soon after period end are the statements available?

### **Participant Services/Automated Voice Response System (VRS)**

1. Provide a phone number and instructions on how to access a demonstration of your automated VRS capabilities for the participant.
2. Describe the services available through your automated VRS.
3. Is the VRS fully capable of generating all the necessary administrative forms to handle enrollments, terminations and beneficiary distribution requests?

In the situation whereby a participant calls the VRS but does not properly complete the transaction, is there any follow-up with the participant? (Yes/No)

5. Does your VRS accommodate non-English speaking participants? What languages?

6. Does it accommodate the hearing/speech impaired participants?

#### Participant Services/1-800 Customer Service Center

1. Where is your customer service center located?

2. Where is your back-up customer service center?

3. List the types of information customer service representatives (CSRs) will be able to provide to the participants.

4. Can employees enroll in the Plan or request benefit calculations through the customer service center?

5. Provide the information below on your service center standards:

	Performance Standard	4th quarter 2017	3rd quarter 2017	2nd quarter 2017
Number of calls	-	-	-	-
Average length	-	-	-	-
Average response time	-	-	-	-
Percentage requiring follow-up	-	-	-	-
Abandonment rate	-	-	-	-
Percentage handled 100% via VRS versus 1-800	-	-	-	-

#### Participant Services/Internet Services

1. Provide an Internet address and instructions on how to access a demonstration of your Internet capabilities for both the participant and plan sponsor.

2. List all transactions that can be completed via your website.

3. Does your website include the capability to add/change beneficiary information?

4. Do you offer an automated enrollment process through the Internet? (Yes/No)

5. Can participants e-mail account specific questions via the Internet site? If yes, who receives the e-mail, researches the issue, and responds? What is the turnaround time?

6. Does your Internet site have the ability to download participant account information software programs (i.e. Microsoft Money, Quicken, etc.)?

What improvements to your Internet capabilities are designated to occur in the next two to three years?

8. Are the same improvements being made to your mobile capabilities? (Yes/No) If no, briefly describe what is being done to enhance your mobile capabilities.

9. Describe any online capabilities that your system provides for plan sponsor access.

#### **Field Service Representatives**

1. Provide your rationale for determining the appropriate staffing for the Plan.

2. What is your annual cost associated for each dedicated service representative?

3. Briefly describe the credentials and related experience of local service representatives who will be assigned to the Plan's account.

4. If the representative are responsible for additional accounts, how many?

5. Will the representatives assigned to the Plan be employees of your firm?

6. Are field service representatives available to discuss the plan and investments with participants on a one-on-one basis? If so, how often? Will you provide local annual account reviews for participants?

7. How will these discussions be handled (e.g., in person, via telephone)?

#### **E. Employer Education**

##### **Staff Training**

1. Provide a list of topics typically covered in training/education to City staff. Is material customized to City specific issues?

2. Would there be a dedicated trainer for City staff?

##### **Plan Sponsor Reporting**

1. Describe the standard reporting package that you would provide the Board and City staff (provide samples).

2. Will the Board and City staff be able to generate these reports and other reports on-line?

3. What is the standard timeframe for providing each plan sponsor report after the reporting period ends?

4. List the types of demographic participant data will you be able to provide?

Describe your flexibility to produce ad-hoc plan level reports.

## **F. Investment Advisory Services**

1. ~~Describe the investment advisory services (i.e., Morningstar ClearFuture, Financial Engines, etc.).~~
2. ~~Describe your due diligence process for selecting the partner and what services are provided.~~
3. ~~What are the costs associated with the advisory services? Is it based on total plan level or only charged to participants who elect these services?~~
4. ~~Does your service:~~
  - a) ~~Produce asset allocation recommendations?~~
  - b) ~~Provide recommendations of specific funds?~~
  - c) ~~Include savings rate recommendations?~~
  - d) ~~Take into account a participant's assets outside the Plans?~~
5. ~~Describe the generally accepted investment theories that form the basis for your advice model.~~
6. ~~By offering investment advisory services, either through your proprietary or third party provider, you will agree to indemnify the City and Board per contract requirements:~~
  - a) ~~What is disclosed to participants regarding your role as a fiduciary?~~
  - b) ~~Describe the type and level of indemnification your organization is willing to provide to the City and Board.~~
7. ~~What is disclosed to participants regarding your fiduciary role and the provider's fiduciary role with respect to these investment advisory services?~~
8. ~~How many of your existing public sector clients have subscribed for this service?~~
9. ~~Do you offer specific investment advice to participants on an in-person basis other than through the on-line advice provider? (Yes/No) If yes, briefly describe and note how you manage conflicts of interest.~~
10. ~~Will a separate contract be required with your investment advisory provider or will it be part of your service contract and agreements? If a separate contract is required, please provide a sample.~~
11. ~~Do you receive additional compensation from the participant investment advisory provider? If yes, describe the arrangement and whether you are willing to rebate a portion of the compensation received from the participant investment advisory provider to the Plan(s).~~

**SECTION IV.**

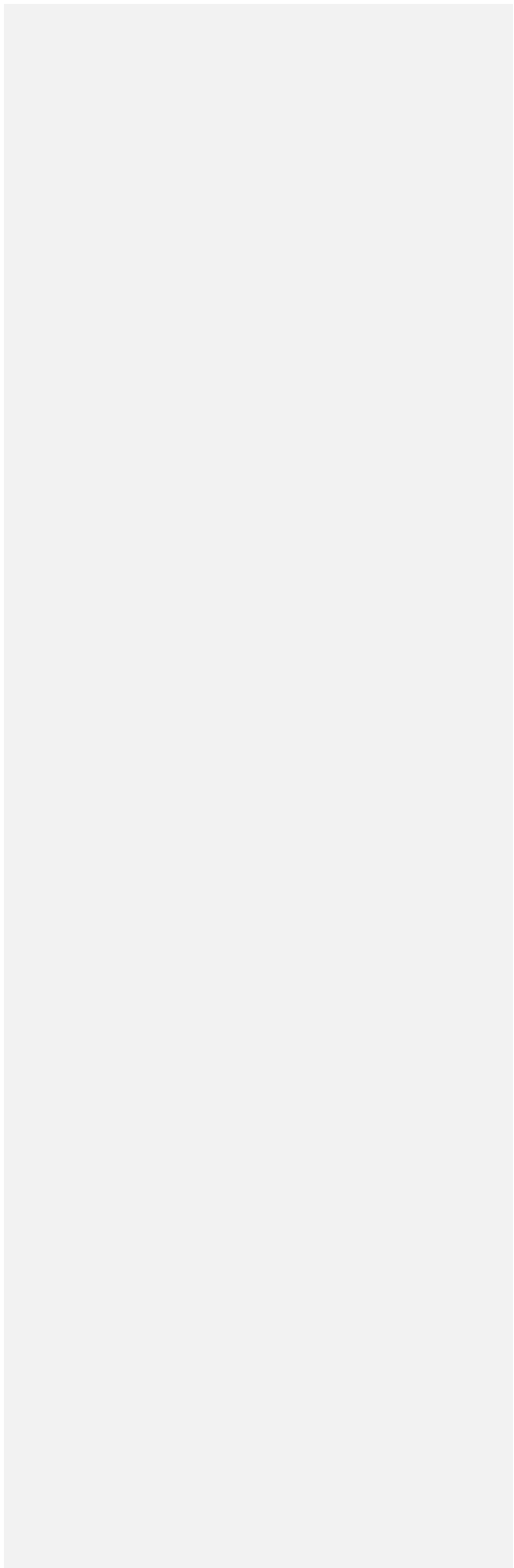
**Attachments**

**City of Rockville**

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

[illegible]

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**(ATTACHMENT B)**  
**Request For Proposal**  
**#43-18**

**Proposal Signature**

**City of Rockville**  
**Rockville, Maryland**

**Deferred Compensation and Defined Benefit Pension Plan Services**

Today's Date:

Proposing Company Name: Insert your organization name

Name of Signing Authority: Insert the name of the signing authority

Signing Authority Phone Number: Insert the signing authority's phone number

Signing Authority E-mail Address: Insert the e-mail address of the signing authority

I have read the Request for Proposal, Proposal Submission Process and my organization understands its contents. The proposal submitted to you is representative of services that our organization offers and is our best evaluation and solution for your current needs.

The person signing the proposal must be an officer of the firm or authorized to bind the firm to a contract in the event of an award.

---

Signature of Signing Authority

This Proposal Signature document must be signed and included within your response to the RFP. This document must be received by the deadline indicated in the RFP to be considered for evaluation.

Thank you for your participation.

## Attachment C Affidavit

I hereby affirm that:

I am the \_\_\_\_\_ and the duly authorized representative of the firm of

\_\_\_\_\_ whose address is \_\_\_\_\_

and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting.

I further affirm:

### AFFIDAVIT OF QUALIFICATION TO CONTRACT WITH A PUBLIC BODY

1. Except as described in Paragraph 2 below, neither I of the State Finance and Procurement Article of the Annotated Code of Maryland, will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

I acknowledge that this Affidavit is to be furnished to the Mayor and Council of Rockville and, where appropriate, to the State Board of Public Works and to the Attorney General. I acknowledge that I am executing this Affidavit in compliance with the provisions of Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland which provides that persons who have engaged in certain prohibited activity may be disqualified, either by operation in law or after a hearing, from entering into contracts with the Mayor and Council of Rockville. I further acknowledge that if the representations set forth in this Affidavit are not true and correct, the Mayor and Council of Rockville may terminate any contract awarded, and take any other appropriate action.

nor the above firm nor, to the best of my knowledge, any of its controlling stockholders, officers, directors, or partners, performing contracts with any public body (the State or any unit thereof, or any local governmental entity in the state, including any bi-county or multi-county entity), has:

A. been convicted under the laws of the State of Maryland, any other state, or the United States of any of the following:

- (1) bribery, attempted bribery, or conspiracy to bribe.
- (2) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract.
- (3) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property.
- (4) a criminal violation of an anti-trust statute.
- (5) a violation of the Racketeer Influenced and Corrupt Organization act, or the Mail Fraud Act, for acts in connection with the submission of bids or proposals for a public or private contract.
- (6) a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- (7) conspiracy to commit any of the foregoing.

B. pled nolo contendere to, or received probation before verdict for, a charge of any offense set forth in subsection A of this paragraph.

C. been found civilly liable under an anti-trust statute of the State of Maryland, another state, or the United States for

acts or omissions in connection with the submission of bids or proposals for a public or private contract.

D. during the course of an official investigation or other proceeding, admitted, in writing or under oath, an act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection A or C of this paragraph.

2. [State "none," or as appropriate, list any conviction, plea or admission as described in Paragraph 1 above, with the date, court, official or administrative body, the individuals involved and their position with the firm, and the sentence or disposition, if any].\_\_\_\_\_

3. I further affirm that neither I nor the above firm shall knowingly enter into a contract with the Mayor and Council of Rockville under which a person or business debarred or suspended from contracting with a public body under Title 16

### NON—COLLUSION AFFIDAVIT

1. Am fully informed respecting the preparation and contents of the attached bid and of all pertinent circumstances respecting such bid;

2. Such bid is genuine and is not a collusive or sham bid

3. Neither the said bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid in connection with the Contract for which the attached bid has been submitted or to refrain from bidding in connection with Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached bid or of any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the Mayor and Council of Rockville, Maryland (Local Public Agency) or any person interested in the proposed Contract; and

4. The price or prices quoted in the attached bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

I do solemnly declare and affirm under the penalties of perjury that the contents of these affidavits are true and correct.

Signature and Title \_\_\_\_\_ Date \_\_\_\_\_

NAME OF BIDDER \_\_\_\_\_

RETURN THIS FORM WITH PROPOSAL

**Attachment D**  
**SAMPLE FORM-DO NOT RETURN**

**AGREEMENT**

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2012 by and between the **MAYOR AND COUNCIL OF ROCKVILLE**, a municipal corporation organized under the laws of Maryland, hereinafter referred to as the "CITY", and **<CONTRACTOR'S NAME>** hereinafter referred to as "CONTRACTOR".

**WITNESSETH**

WHEREAS, the City desires the Contractor to provide **<DESCRIBE THE SERVICE>**

WHEREAS, the City desires to employ the services of the Contractor in connection with the aforementioned service under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and promises set forth, the parties hereto agree as follows:

**1. SCOPE OF WORK.** The Contractor agrees to perform the work described and be bound by the terms and conditions set forth in the **<letter agreement dated xxx or RFP# and title>** hereto attached a made a part hereof and identified as Exhibit "A" and in the CONTRACTOR'S proposal dated **xxxx** hereto attached a made a part hereof and identified as Exhibit "B"; **<reference other attachments as necessary>** In the event any terms of the attached exhibits conflict with this Agreement, this Agreement shall prevail. **<if numerous exhibits list prevailing exhibit(s)>**

Contractor shall perform the services described in this Agreement (a) in a timely, diligent and professional manner in accordance with recognized standards of the applicable industry or profession, and; (b) in accordance with the time periods set forth in this Agreement and in the schedule and sequencing specified by the City. Contractor shall furnish efficient business administration and superintendence and shall use its best efforts to ensure that such services being performed under this Agreement are completed in the best way and in the most expeditious and economical manner consistent with the City's best interests.

**2. REVIEW BY CITY.** The Contractor agrees that the work and records covered by this Agreement will be subject to review, at all times, by representatives of the City.

**3. OWNERSHIP RIGHTS.** All finished or unfinished documents, data, studies, surveys, drawings, CADD drawings, maps, models, photographs, letters and reports prepared by the Contractor or his subcontractors shall become the property of the City.

**4. EQUAL EMPLOYMENT OPPORTUNITY.** During the performance of this Agreement, the Contractor agrees that he will comply with all applicable federal, state and local laws relating to discrimination in employment.

### **PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made this [insert day] day of [insert month] by and between the MAYOR AND COUNCIL OF ROCKVILLE, a municipal corporation organized under the laws of Maryland, hereinafter referred to as the "CITY", and [insert contractor's full legal name], hereinafter referred to as "CONTRACTOR".

#### **WITNESSETH**

WHEREAS, the City desires the Contractor to provide [insert description].

WHEREAS, the City desires to employ the services of the Contractor in connection with the aforementioned service under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and promises set forth, the parties hereto agree as follows:

1. SCOPE OF WORK. The Contractor agrees to perform the work described and be bound by the terms and conditions set forth in [insert RFP no. and description], to include [list all addenda], hereto attached and made a part hereof and identified as Exhibit "A" and in the CONTRACTOR'S proposal dated [insert date], hereto attached and made a part hereof and identified as Exhibit "B", and in the CONTRACTOR'S best and final offer (BAFO) dated [insert date] hereto attached and made part hereof and identified as Exhibit "C". In the event any terms of the attached exhibits conflict with this Agreement, this Agreement shall prevail over the aforementioned exhibits. In the event the terms of any of the exhibits conflict with each other, then Exhibit "C" shall prevail over both Exhibits "B" and "A". In the event the terms of Exhibit "B" conflict with Exhibit "A", then Exhibit "A" shall prevail over Exhibit "B". In the event of a conflict in the terms contained in the documents in Exhibit "C", the terms of the most recently dated document shall prevail.

The Contractor shall perform the services described in this Agreement (a) in a timely, diligent and professional manner in accordance with recognized standards of the applicable industry or profession, and; (b) in accordance with the time periods set forth in this Agreement and in the schedule and sequencing specified by the City. Contractor shall furnish efficient business administration and superintendence and shall use its best efforts to ensure that such services being performed under this Agreement are completed in the best way and in the most expeditious and economical manner consistent with the City's best interests.

2. REVIEW BY CITY. The Contractor agrees that the work and records covered by this Agreement will be subject to review, at all times, by representatives of the City.

3. OWNERSHIP RIGHTS. All finished or unfinished documents, data, studies, surveys, drawings, CADD drawings, maps, models, photographs, letters and reports prepared by the Contractor or its subcontractors shall become the property of the City.

4. EQUAL EMPLOYMENT OPPORTUNITY. The Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), ancestry, color, national origin, race, ethnicity, religion, disability, genetics, marital status, pregnancy, presence of children, gender, sexual orientation, gender identity or expression, or veteran status. The Contractor will take affirmative action to

ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination, rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Contractors must also include the same nondiscrimination language in all subcontracts.

If the Contractor fails to comply with nondiscrimination clauses of this contract or fails to include such contract provisions in all subcontracts that subcontractors will not discriminate against any employee or applicant for employment in the manner described above, this contract may be declared void AB INITO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

5. INDEMNIFICATION. The Contractor agrees to indemnify and save harmless the City against any liability, claim, demand for personal injury or property damage, and other expenses or losses suffered or arising out of or caused by any negligent act or omission of the Contractor, its subcontractors, servants, agents or employees incurred in the performance of the Agreement.

6. TIME OF ESSENCE. The Contractor acknowledges that time is of the essence in providing the services under this Agreement and agrees to assign adequate personnel sufficient to respond to requests for service.

7. CONTRACT TERM. This Agreement shall be effective upon execution of the contract and shall continue through June 30, 2021, with two (2) one year renewal options, subject to the annual review of the Chief Financial Officer, the satisfactory performance of the Offeror, the concurrence of the Rockville City Council and the annual availability of an appropriation.

8. TERMINATION FOR CONVENIENCE. The City may terminate this Agreement for convenience by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid on a pro-rata basis for work performed prior to the effective date of such termination.

9. TERMINATION FOR CAUSE. If through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligation under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid an amount based on the number of hours actually worked at the hourly rates set forth herein, or if no hourly rate is set forth, Contractor shall be paid on a pro-rata basis for work performed. Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Contractor, and

the City may withhold any payments due the Contractor up to the full amount of the Contractor's fee, until such a time as the exact amount of damages due the City from the Contractor is determined by any Court of competent jurisdiction.

10. COMPLIANCE WITH LAWS. The Contractor shall observe and comply with Federal, State, County and local laws, ordinances and regulations that affect the work to be done herein, and shall indemnify and hold the City harmless, and all of its officers, agents and servants against any claim or liability from or based on the violation of any such law, ordinance or regulation, whether by the Contractor or the Contractor's agent. Notwithstanding the foregoing, in the event that the Contractor determines that a conflict exists between any applicable law, ordinance and/or regulation, the Contractor will so advise the City and the City will decide which law, ordinance and/or regulation shall be followed.

11. SUBCONTRACTS. None of the services covered by this Agreement shall be subcontracted without the prior written consent of the City. The Contractor will require all subcontractors to have in effect at all times insurance coverage as required by the City in Exhibit "A" for negligent acts, errors and omissions of subcontractors and their employees and the City shall be named as an insured party.

12. ASSIGNMENT. The Contractor shall not assign or transfer any interest in this Agreement without the prior written approval of the City.

13. INSURANCE. The Contractor shall carry insurance with limits as required in Exhibit "A" by the City and shall provide to the City a certificate evidencing the same.

14. CONFLICTS OF INTEREST. The Contractor covenants that it has presently no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed.

15. DISPUTES. Except as otherwise provided in this agreement, any dispute concerning a question of fact arising out of this agreement which is not disposed of by agreement, shall be decided in accordance with Section 17-174 of the City's Purchasing Ordinance as set forth in Chapter 17 of the Rockville City Code.

16. GOVERNING LAW. This Agreement is executed in the State of Maryland and shall be governed by Maryland law. The Contractor, by execution of this Agreement, consents to the jurisdiction of the Maryland state courts with respect to any dispute arising out of this agreement and further consents to venue in Montgomery County, Maryland.

17. SUCCESSORS AND ASSIGNS: This Agreement shall be binding and inure to the benefit of all successors and assigns of the parties hereto. Notwithstanding the foregoing, this Agreement shall be considered a personal services contract and the Contractor shall not assign any right or obligation under this Agreement without the City's express written consent which may be withheld in the City's sole and absolute discretion.

18. INDEPENDENT CONTRACTOR. The Contractor shall perform this Agreement as an independent contractor and shall not be considered an agent of the City, nor shall any of the Contractor's employees or agents be subagents of the City.

19. COMPENSATION. The Contractor shall provide to the City the services described in the amount not to exceed [insert dollar amount in words] dollars (\$[insert dollar amount in numbers]). In the event the labor hours and expenses exceed this amount the Contractor shall complete the tasks with no additional compensation.

20. INVOICING. Invoices for payment shall include a complete description of the services rendered, personnel, hourly rates, hours and date of services. All invoices shall be submitted to the City of Rockville, Attn: Kimberly Francisco, Finance, 111 Maryland Avenue, Rockville, MD 20850-2364.

21. MODIFICATION. This agreement may be modified only by written instrument signed by both parties hereto.

22. ENTIRE AGREEMENT. This agreement, including the exhibits attached hereto, constitutes the entire agreement between the City and the Contractor, and the parties shall not be bound by any prior negotiation, representations or promises, not contained herein.

IN WITNESS WHEREOF, the said (See Note A) and [insert contractor's full legal name] COUNCIL have caused these presents to be signed and sealed.

[insert contractor's full legal name]

Signature: \_\_\_\_\_ (Seal)  
\_\_\_\_\_. (Either owner or partner)

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

MAYOR AND COUNCIL OF ROCKVILLE, MARYLAND

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Robert DiSpirito, City Manager

ATTEST

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Kathleen A. Conway, City Clerk/Director of Council Operations

\_\_\_\_\_

Approved as to form and legality:

\_\_\_\_\_ Date: \_\_\_\_\_

City Attorney

\_\_\_\_\_

NOTE (A): The CONTRACTOR shall enter the exact legal name of the business. An individual trading as a company shall enter: John Doe dba Doe Masonry Company.

**Attachment D**  
**SAMPLE FORM-DO NOT RETURN**

5. INDEMNIFICATION. The Contractor agrees to indemnify and save harmless the City against any liability, claim, demand for personal injury or property damage, and other expenses or losses suffered or arising out of or caused by any negligent act or omission of the Contractor, its subcontractors, servants, agents or employees incurred in the performance of the Agreement.

6. TIME OF ESSENCE. The Contractor acknowledges that time is of the essence in providing the services under this Agreement and agrees to assign adequate personnel sufficient to respond to requests for service.

7. CONTRACT TERM. This Agreement shall be effective upon execution of the contract and shall continue through ~~TERM/ OR COMPLETION DATE~~.

8. TERMINATION FOR CONVENIENCE. The City may terminate this Agreement for convenience by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid on a pro-rata basis for work performed prior to the effective date of such termination.

9. TERMINATION FOR CAUSE. If through any cause, the Contractor shall fail to fulfill in a timely and proper manner his obligation under this Agreement, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. If the Agreement is terminated by the City as provided in this Section the Contractor will be paid an amount based on the number of hours actually worked at the hourly rates set forth herein, or if no hourly rate is set forth, Contractor shall be paid on a pro-rata basis for work performed. Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Contractor, and the City may withhold any payments due the Contractor up to the full amount of the Contractor's fee, until such a time as the exact amount of damages due the City from the Contractor is determined by any Court of competent jurisdiction.

10. COMPLIANCE WITH LAWS. The Contractor shall observe and comply with federal, state, county and local laws, ordinances and regulations that affect the work to be done herein, and shall indemnify and hold the City harmless, and all of its officers, agents and servants against any claim or liability from or based on the violation of any such law, ordinance or regulation, whether by the Contractor or the Contractor's agent. Notwithstanding the foregoing, in the event that the Contractor determines that a conflict exists between any applicable law, ordinance and/or regulation, the Contractor will so advise the City and the City will decide which law, ordinance and/or regulation shall be followed.

11. SUBCONTRACTS. None of the services covered by this Agreement, shall be subcontracted without the prior written consent of the City. The Contractor will require all subcontractors to have in effect at all times insurance coverage as required by the City in Exhibit

"A" for negligent acts, errors and omissions of subcontractors and their employees and the City shall be named as an insured party.

12. ASSIGNMENT. The Contractor shall not assign or transfer any interest in this Agreement without the prior written approval of the City.

13. INSURANCE. The Contractor shall carry insurance with limits as required in Exhibit "A" by the City and shall provide to the City a certificate evidencing the same.

14. CONFLICTS OF INTEREST. The Contractor covenants that it has presently no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required to be performed under this Agreement. The Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed.

15. DISPUTES. Except as otherwise provided in this agreement, any dispute concerning a question of fact arising out of this agreement which is not disposed of by agreement, shall be decided in accordance with Section 17-174 of the City's Purchasing Ordinance as set forth in Chapter 17 of the Rockville City Code.

16. GOVERNING LAW. This Agreement is executed in the State of Maryland and shall be governed by Maryland law. The Contractor, by execution of this Agreement, consents to the jurisdiction of the Maryland state courts with respect to any dispute arising out of this agreement and further consents to venue in Montgomery County, Maryland.

17. SUCCESSORS AND ASSIGNS: This Agreement shall be binding and inure to the benefit of all successors and assigns of the parties hereto. Notwithstanding the foregoing, this Agreement shall be considered a personal services contract and the Contractor shall not assign any right or obligation under this Agreement without the City's express written consent which may be withheld in the City's sole and absolute discretion.

18. INDEPENDENT CONTRACTOR. The Contractor shall perform this Agreement as an independent contractor and shall not be considered an agent of the City, nor shall any of the Contractor's employees or agents be subagents of the City.

19. COMPENSATION. The Contractor shall provide to the City the services described in the amount not to exceed <OR LUMP SUM \$>. In the event the labor hours and expenses exceed this amount the Contractor shall complete the task with no additional compensation.

20. INVOICING. Requisitions for payment shall include a complete description of the services rendered, personnel, hourly rates, hours and date of services. All requisitions shall be submitted to the City of Rockville, Attn: Mr. xxxx, 111 Maryland Avenue, Rockville, MD 20850.

Attachment-D

SAMPLE FORM-DO-NOT-RETURN

21. MODIFICATION. This agreement may be modified only by written instrument signed by both parties hereto.

22. ENTIRE AGREEMENT. This agreement, including the exhibits attached hereto, constitutes the entire agreement between the City and the Contractor, and the parties shall not be bound by any prior negotiation, representations or promises, not contained herein.

IN WITNESS WHEREOF, the parties have set their hands and seals hereto on the date written above.

ATTEST THE MAYOR AND COUNCIL OF  
ROCKVILLE

\_\_\_\_\_  
City Clerk By: \_\_\_\_\_  
City Manager

ATTEST \_\_\_\_\_  
By: \_\_\_\_\_ (Seal)

\_\_\_\_\_  
Print or Type Name \_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Print or Type Title \_\_\_\_\_  
Print or Type Title

Approved as to form and legality:

\_\_\_\_\_  
City Attorney

**Attachment E**  
**City of Rockville, MD.**  
**General Terms, Conditions and Instructions- DO NOT RETURN**

1. **TERMS AND CONDITIONS** The terms and conditions of this document govern in event of conflict with any terms of the bidder's proposal, and are not subject to change by reasons of written or verbal statement by the contractor unless accepted in writing. Words and abbreviations which have well known technical or trade meanings are used in accordance with such meanings.

2. **SUBMISSION OF BID** Unless otherwise specified in the solicitation, all bids are to be submitted in a sealed envelope to the Purchasing Office, 111 Maryland Avenue, Rockville, MD 20850. The envelope shall be clearly marked with the invitation for bid number. Unless otherwise specified, the following forms must be submitted:

- Bid proposal page(s) in duplicate
- Non-collusion/non-conviction affidavit
- References, if requested
- Other forms as requested in the document.

The bid proposal form must be typed or written in ink. Conditional bids and bids containing escalator clauses will not be accepted. All bids must be regular in every respect and no interlineation, exclusions, or special conditions shall be made or included. Bids must contain an original signature, in the space provided, of an individual authorized to bind the bidder.

3. **LATE BIDS** It is the bidder's responsibility to assure delivery of the bid at the proper time to the designated location. Bids delivered to any other office or location will not be considered.

4. **ADDENDUM** In the event that any addenda to this solicitation is issued, all solicitation terms and conditions will remain in effect unless they are specifically changed in the addendum. It is the responsibility of the bidder to make inquiry as to addenda issued. Oral answers to questions relative to interpretation of specifications will not be binding on the City. Such addendums, if issued, will posted at: <http://rockvillemd.gov/Bids.aspx>

Please note, that it is the bidder's responsibility to check this site frequently for Addendums, which may impact pricing, this document's requirements, terms and/or conditions. Failure to acknowledge an addendum on the bid proposal form or to sign and return an Addendum with your response may result in disqualification of proposal.

5. **BID OPENING** All bids received in response to an Invitation for Bid will be opened at the date, time and place specified and publicly read. A tabulation of bids received are posted on the City's website:  
<http://rockvillemd.gov/Bids.aspx?CatID=17&txtSort=Category&showAllBids=on&Status=>

6. **ACCEPTANCE OF BIDS** Unless otherwise specified, the City will accept or reject any or all bids or any or all items within ninety (90) days after the date of bid opening, unless extended by mutual consent of all parties.

**7. BID WITHDRAWAL** Bids may be withdrawn or modified under the following circumstances:

- a. Where a mistake is discovered before the bid opening, the bid may be modified or withdrawn by written or electronic notice received by the Purchasing Agent prior to the time set for bid opening.
- b. Where a mistake is discovered after the bid opening but prior to contract award, a bid: 1) may be corrected where the error is made and the intended bid price can be determined solely from the bid documents submitted, and the Purchasing Agent determines that the mistake was inadvertent and bona fide;
- c. May be withdrawn where the bid was submitted in good faith and the bid price is substantially lower than the other bids due solely to a clerical mistake therein as opposed to a judgment mistake and the mistake was due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of a bid, which unintentional arithmetic error or unintentional omission can be clearly shown by  
objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid.
- d. No bid may be withdrawn or award canceled when the result would be prejudicial to the interests of the City or fair competition.
- e. No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to or perform any subcontract or other work agreement for the person or business to whom the contract is awarded, or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.
- f. If a bid is withdrawn or award canceled under the authority of this section, the lowest remaining bid shall be deemed to be the low bid.

**Attachment E**  
**City of Rockville, MD.**

**General Terms, Conditions and Instructions- DO NOT RETURN**

- g. Nothing herein shall prevent the City from rejecting all bids if deemed to be in the interest of the City or fair competition.
- 8. **BIDDER INTEREST IN MORE THAN ONE BID** Multiple bids received in response to a single solicitation from an individual, firm, partnership, corporation, affiliate, or association under the same or different names will be rejected. Reasonable grounds for believing that a bidder is interested in more than one bid for a solicitation both as a bidder and as a subcontractor for another bidder, will result in rejection of all bids in which the bidder is interested. However, a firm acting only as a subcontractor may be included as a subcontractor for two or more bidders submitting a bid for the work. Any or all bids may be rejected if reasonable grounds exist for believing that collusion exists among any bidders. Bidders rejected under the above provisions shall be disqualified if they respond to a re-solicitation for the same work.
- 9. **PRICES** Bids must be submitted on a firm, fixed price, F.O.B. Destination basis only unless otherwise specified herein.
- 10. **ERRORS IN BIDS** When an error is made in extending total prices, the unit price will govern. Erasures in bids must be initialed by the bidder.
- 11. **TAX EXEMPTION** The City is exempt from the payment of any federal excise or any Maryland sales tax.
- 12. **SPECIFICATIONS** Bidders are expected to be thoroughly familiar with all bid documents, including all addenda. No consideration will be granted for any alleged misunderstanding of the intent of the contract documents. In the process of assembling and binding the bid documents individual pages or drawings may have been inadvertently omitted. Each bidder shall carefully and thoroughly examine these bid documents for completeness. No claim of any bidder will be allowed on the basis that bid documents are incomplete.
- 13. **BID AWARD** Award will be made to lowest responsive and responsible bidder complying with all provisions of the Invitation for Bid, provided the price is reasonable and in the best interest of the City to accept. The City reserves the right to award by individual commodities/services, group, all or none or any combination thereof. When a group is specified, all items in the group must be bid.

In determining the responsibility of a bidder, the following criteria will be considered:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the services required;
- b. Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c. The character, integrity, reliability, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance on previous contracts or services;
- e. The previous and existing compliance by the bidder with laws and ordinance relating to the contract or service;
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g. The quality, availability and adaptability of the goods or services to the particular use required;
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;

- i. Whether the bidder is in arrears to the City or a debt or contract or is in default on a surety to the City;
- j. Such other information as may be secured by the City having a bearing on the decision to award the contract.

**14. MULTI-YEAR BIDS** Multi-year contracts may be continued each fiscal year only after funding appropriations have been granted. In the event necessary funding appropriation is not granted, the multi-year contract shall be null and void, effective July 1st of the affected year. Should the vendor decline the City's right to exercise any option period, the City may consider the vendor in default, which may affect that vendor's eligibility for future contracts.

**15. BIDDER'S PAYMENT TERMS** The City will reject as non-responsive a bid under this solicitation, which is conditioned on payment of proper invoices in less than thirty (30) days. However, this does not preclude a bidder from offering a prompt payment discount for payment of proper invoices in less than thirty (30) days.

**16. INTERPRETATION** Any questions concerning terms, conditions and definitions of the contract and bidding regulations shall be directed in writing to the Purchasing Agent. The submission of a bid shall be prima facie evidence that the bidder thoroughly understands the terms of the contract documents. The Contractor shall take no advantage of any error or omission in these contract documents.

**17. BRAND NAME OR EQUAL** Identification of an item by manufacturer's name, trade or brand name, or catalog number is for information and establishment of a quality level desired and is not intended to restrict competition. Bidders may offer any brand which meets or exceeds the specification, unless 'brand name only' is specified. Bids on other makes and/or models will be considered provided the bidder clearly states on the proposal what is being proposed and forwards with the bid complete descriptive literature indicating how the characteristics of the article being offered will meet the specifications. The City reserves the right to accept or reject items offered as an equal.

### **Attachment E** **City of Rockville, MD.** **General Terms, Conditions and Instructions- DO NOT RETURN**

**18. EXECUTION OF AGREEMENT** Subsequent to award and within fifteen (15) calendar days after the prescribed forms are presented to the Contractor, the Contractor shall execute and deliver to the City the required Agreement and other forms as requested. Failure of the successful bidder to execute the Agreement and supply other required forms within fifteen (15) calendar days shall constitute a default. The City may either award the contract to the next low responsive and responsible bidder or re-advertise the bids, and may charge against the original bidder the difference between the amount of the bid and the amount for which a contract for the work is subsequently executed. If a more favorable bid is received by a re-advertising, the defaulting bidder shall have no claim against the City for a refund.

**19. PLACING OF ORDERS** Orders against contracts will be placed with the Contractor on a Purchase Order (or Procurement Card – currently Mastercard) executed by the Purchasing Agent or designee. Where Master Agreements have been released by the City, orders may be placed directly with the Contractor by authorized personnel in the ordering Department(s). Issuance of all purchase orders will be contingent upon appropriation of funds by the Mayor and Council and encumbrance of such funds after July 1 of each year, as provided by the City Code.

**20. MATERIALS** All materials shall be new and free from defects. They shall be standard products of current manufacture. Unless otherwise noted in the contract documents, the Contractor shall abide by specific manufacturer instructions and recommendations on installation and operation.

**21. DELIVERY** Time is of the essence. All shipments shall be accompanied by Packing Slips or Delivery Tickets and shall contain the following information: 1) the Purchase Order number, 2) Name of the Article and Stock Number, 3) Quantity Ordered, 4) Quantity Shipped, 5) Quantity Backordered, and 5) Name of Contractor.

**22. TRAVEL TIME**  
No payment for travel time to or from the job site shall be charged. Charges begin when the Contractor arrives at each job site and end when the Contractor leaves the job site. The Contract Administrator will verify time records.

**23. BILLING** Unless otherwise specified invoices are to be submitted to the "Bill To" address on the Purchase Order immediately upon completion of the shipment or services.

**24. PAYMENT** Payment shall be made after satisfactory performance of the contract/complete delivery in accordance with all of the provisions thereof, and upon receipt of a properly complete invoice. The City reserves the right to withhold any or all payment or portions thereof for Contractor's failure to perform in accordance with the provision of the contract or any modification thereto. The acceptance by the Contractor of the final payment made as aforesaid, shall operate as and be a release to the City and every officer and agent thereof, from all claims by and liabilities to the Contractor for anything done or furnished for or relating to or affecting the work under the contract.

**25. ELECTRONIC PAYMENT OPTION**  
The Vendor ACH Payment Program of the City allows payments to be deposited directly to a designated financial institution account. Funds will be deposited into the account of your choice automatically and on time. All transactions are conducted in a secure

environment. The program is totally free as part of the Finance Department's efforts to improve customer services. Program information and registration can be viewed at the following web address: <http://rockvillemd.gov/index.aspx?NID=234>

26. **TRANSFER OF TITLE** The Contractor warrants that title to all work, materials and equipment will pass to the City upon the receipt of payment by the Contractor, free and clear of all liens, claims, interests or encumbrances.

27. **DEFECTIVE MATERIALS/WORKMANSHIP** Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor. If the work shall be found to be defective or to have been damaged before final acceptance, the Contractor shall make good such defect in a manner satisfactory to the City, without extra compensation even though said defect or injury may have not been due to any act or negligence of the Contractor.

28. **CHANGES IN QUANTITIES/ITEMS** The City reserves the right to add or delete any item(s) from the bid in whole or in part at the City's discretion as given in the Bid or Proposal wherever it deems it advisable or necessary so to do and such changes shall in no way invalidate the contract nor affect the bid prices for any item or remaining work. Unit prices submitted in the bid shall not be increased or decreased regardless of changes in quantity. The City may waive minor differences in specifications in bids provided these differences do not violate the specifications' intent nor materially affect the operation for which the items or services are being purchased.

The Contractor will be paid for the actual amount of authorized work done or material furnished under any item of the bid at the price bid and stipulated for such item. In case any quantity is increased, the Contractor shall not be entitled to any increased compensation over and above the unit price bid for such item, or any claim for damages on account of loss of anticipated profits should any quantities be decreased. The Contractor shall be responsible for confirming the accuracy of the specified quantities prior to ordering materials or supplies and the City's payment shall be based on the actual quantities incorporated in the work and not the quantities specified in the bid document. The quantities must not exceed the contract specified quantities without specific written authorization of the Purchasing Agent and it is the Contractor's responsibility to obtain said authorization.

#### **Attachment E**

#### **City of Rockville, MD.**

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29. **DISPUTES** Except as may otherwise be provided by the final agreement, any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by the final agreement shall be decided by the City Manager. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under the agreement signed by the City and the Contractor. The decision of the City Manager shall be final and conclusive.

30. **EXTRA COSTS** If the Contractor claims that any instructions by the contract documents or otherwise involve extra compensation or extension of time, a written protest must be submitted to the Purchasing Agent within ten (10) calendar days after receipt of such instructions and before proceeding to execute the work, stating in detail the basis for objection. No such claim will be considered unless so made.

31. **LEGAL REQUIREMENTS** All materials, equipment, supplies and services shall conform to applicable Federal, State, County and City laws, statutes, rules and regulations. The Contractor shall observe and comply with all Federal, State, County and City laws, statutes, rules and regulations that affect the work to be done. The provisions of this contract shall be governed by the laws of the State of Maryland.

32. **INDEMNIFICATION OF THE MAYOR AND COUNCIL** The Contractor shall indemnify and save harmless the Mayor and Council from all suits, actions and damages or costs, of every name and description to which the Council may be subjected or put by reason of injury to persons or property as a result of the work, whether caused by negligence or carelessness on the part of the Contractor, or subcontractors or agents thereof.

33. **ETHICS REQUIREMENTS** In accordance with the City's financial disclosure and ethical conduct policy and/or ordinances a prerequisite for payment pursuant to the terms of this contract is that the Contractor may be required to furnish explicit statements, under oath, that the City Manager, and/or any other officer, agent, and/or employee of the City, and any member of the governing body of the City of Rockville or any member or employee of a Commission, Board, or Corporation controlled or appointed by the City Council, Rockville, Maryland has not received or has not been promised directly or indirectly any financial benefit by way of fee, commission, finder's fee, or in any other manner, remuneration arising from directly or indirectly related to this contract, and that upon request by the City Manager, or other authorized agent, as a prerequisite to payment pursuant to the terms of this contract, the Contractor will furnish to the Mayor and Council of the City of Rockville, under oath, answers to any interrogatories to a possible conflict of interest has herein embodied.

34. **TERMINATION FOR CAUSE** The contract may be cancelled or annulled by the City in whole or in part by written notice of default to the Contractor upon nonperformance or violation of contract terms and an award made to next low Bidder, or, articles specified may be purchased on the open market similar to those so terminated. In either event, the defaulting Contractor or his surety shall be liable to the City for costs to the City in excess of the defaulted contract prices.

35. **TERMINATION FOR CONVENIENCE** This Contract may be terminated, in whole or in part, upon written notice to the Contractor when the City determines that such termination is in its best interest. The termination is effective 10 days after the notice is issued.

unless a different time is given in the notice. The City is liable only for payment for goods and services delivered and accepted or approved by the City prior to the effective date of the termination.

36. **EMPLOYEES** The Contractor shall employ only competent, skillful persons to do the work, and whenever the Project Manager shall notify the Contractor in writing that any person employed on the work is, in his opinion, incompetent, disobedient, disorderly, discourteous or otherwise unsatisfactory, such person shall be discharged from the work and shall not again be employed for this contract except with the consent of the Project Manager.

37. **LANGUAGE** If applicable, the Contractor shall appoint one or more crewmembers or supervisors to act as liaison with the City and emergency services personnel. All liaisons shall be fluently bilingual in English and the Contractor's employees' language(s), and at least one liaison shall be present at each work site at all times when any of the Contractor's employees or agents are at the site.

38. **SENSITIVE DOCUMENTS** Sensitive documents (either electronic or hardcopy documents dealing with critical facilities or sensitive information) received from the City must be handled consistent with the terms of non-disclosure required for application. Contractor is responsible to restrict use of sensitive documents to project participants only and shall take appropriate measure to prevent distribution of sensitive document to anyone inside or outside of the Contractor's company except Contractor's project participants. After completion of the project, all sensitive documents remaining in the Contractor's possession shall continue to be governed under the terms of non-disclosure and must continue to be stored in a secure manner. After such records are no longer needed for record purposes, the records shall be destroyed or returned to the City. Where services require the Contractor to access the City's electronic information resources and/or its electronic data assets, the Contractor shall adhere to all requirements, terms and conditions of the City's Contractor/Vendor On-Site And Remote Access Confidentiality Agreement, which can be viewed at the following web address: <http://www.rockvillemd.gov/documentcenter/view/74>

39. **DOCUMENTS, MATERIALS AND DATA** All documents materials or data developed as a result of this contract are the City's property. The City has the right to use and reproduce any documents, materials and data, including confidential information, used in the performance of, or developed as a result of this contract. The City may use this information for its own purposes, including

### **Attachment E** **City of Rockville, MD.**

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reporting to state and federal agencies. The Contractor warrants that it has title to or right to use all documents, materials or data used or developed in connection with this contract. The Contractor must keep confidential all documents, materials and data prepared or developed by the Contractor or supplied by the City.

40. **IMMIGRATION REFORM AND CONTROL ACT** The Contractor awarded a contract pursuant to this bid shall warrant that it does not and shall not hire, recruit or refer for a fee, for employment under the contract, an alien knowing the alien is an unauthorized alien and hire any individual without complying with the requirements of the Immigration Reform and Control Act of 1986 (the Act), including but not limited to any verification and record keeping requirements. The Contractor shall further assure the City that, in accordance with the Act, it does not and will not discriminate against an individual with respect to hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment because of such individual's national origin or in the case of a citizen or intending citizen, because of such individual's citizenship status.

41. **EQUAL EMPLOYMENT OPPORTUNITY** The Contractor will not discriminate against any employee or applicant for employment because of age (in accordance with applicable law), ancestry, color, national origin, race, ethnicity, religion, disability, genetics, marital status, pregnancy, presence of children, gender, sexual orientation, gender identity or expression, or veteran status. The Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment, layoff or termination; rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. Contractors must also include the same nondiscrimination language in all subcontracts.

If the Contractor fails to comply with nondiscrimination clauses of this contract or fails to include such contract provisions in all subcontracts that subcontractors will not discriminate against any employee or applicant for employment in the manner described above, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records, and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

42. **PERMITS AND REGULATIONS** Unless stipulated elsewhere in these specifications, the Contractor shall be responsible for obtaining and paying for all applicable permits. Where signatures of the City are required in connection with the obtaining of such permits, certificates, etc., the Contractor shall prepare the proper paperwork and present it to the City for signature. City of Rockville Permit fees shall be waived. If the Contractor ascertains at any time that any requirement of this contract is at variance with applicable laws, ordinances, regulations and/or building codes, notification to the Project Manager shall be made immediately and

any necessary adjustment to the contract shall be made. Without proper notice to the Project Manager, the Contractor shall bear all costs arising from the performance of work the Contractor knows to be contrary to such laws, ordinances, etc.

43. **SERVICE OF NOTICES** The mailing a written communication, notice or order, addressed to the Contractor at the business address filed with the City, or to his office at the site of the work shall be considered as sufficient service upon the Contractor of such communication, notice or order; and the date of said service shall be the date of such mailing. Written notice shall also be deemed to have been duly served if delivered in person to the individual or member of the firm or to any officer of the corporation for whom it was intended if delivered or sent by registered or certified mail to the last known address.

44. **PATENT RIGHTS** Whenever any article, materials, equipment, process, composition, means, or things called for by these specifications is covered by letters of patent, the successful bidder must secure, before using or employing such article, material etc., the assent in writing of the Owner or Licensee of such Letters of Patent and file the same with the City.

The said assent is to cover not only the use, employment, and incorporation of said article, material, equipment, process, composition, combination, means, or thing in the construction and completion of the work but also the permanent use of said article, material, etc., thereafter by or on behalf of the City, in the operation and maintenance of the project for the purposes for which it is intended or adapted. The Contractor shall be responsible for any claims made against the City, its agents and employees or any actual or alleged infringement of patents by the use of any such patented articles, etc., in the construction and completion of the work, and shall save harmless and indemnify the City, its agents and employees from all costs, expenses, and damages, including Solicitor's and Attorney's fees which the City may be obligated to pay by reason of any actual or alleged infringement of patents used in the construction and completion of the work herein specified.

45. **ABANDONMENT OF OR DELAY IN WORK** If the work under the contract shall be abandoned by the Contractor, or if at any time the City shall be of the opinion and shall so certify, in writing, to the Contractor, that the performance of the contract is unnecessarily or unreasonably delayed, or that the Contractor has violated any of the provisions of the contract or is executing the same in bad faith or if the work is not fully completed within the time specified for its completion, together with such extension of time as may have been granted, the City by written notice, may order the Contractor to discontinue all work there under, or any part thereof.

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within the number of days specified on such notice. At the expiration of said time the Contractor shall discontinue the work, or such part thereof, and the City shall have the power, by contract, or otherwise, to complete said work and deduct the entire cost thereof from any monies due or to become due the Contractor under the contract. For such completion of work the City may, for itself or its Contractor, take possession of and use or cause to be used any or all materials, tools, and equipment found on the site of said work. When any part of the contract is being carried on by the City, as herein provided, the Contractor shall continue the remainder of the work in conformity with the terms of the contract and in such manner as not to interfere with the City's workmen.

46. **SUBLETTING OR ASSIGNING OF CONTRACT** The City and the Contractor each bind themselves, their partners, successors, assigns and legal representatives of such other parties in respect to all covenants, agreements, and obligations contained in the contract documents. Neither party to the contract shall sublet, sell, transfer, assign or otherwise dispose of the contract or any portion thereof, or of the work provided for therein, or of his right, title or interest therein to any person, firm or corporation without the written consent of the other party, nor shall the Contractor assign any monies due or to become due hereunder without the previous written consent of the City.

47. **SUBCONTRACTING** When allowed, bidders who intend to subcontract any portion of the work including delivery, installation or maintenance will submit to the City prior to the start of work: 1) a description of the items to be subcontracted, 2) all subcontractor names, addresses and telephone numbers and 3) the nature and extent of the work utilized during the life of the contract. This does not relieve the contractor from the prime responsibility of full and complete performance under the contract. There shall be no contractual relationship between the City and any subcontractor.

48. **NO WAIVER OF CONTRACT** Neither the acceptance by the City nor any order, measurement, certificate or payment of money, of the whole or any part of the work, nor any extension of time nor possession taken by the City shall operate as a waiver of any portion of the contract, or any right to damage therein provided. The failure of the City to strictly enforce any provision of this contract shall not be a waiver of any subsequent breach of the same or different nature.

49. **MEASUREMENT OF WORK AND MATERIAL** The work and material to be paid for will be measured and determined by the City according to the specifications and drawings. No allowance will be made for any excess above the quantities required by the specifications and drawings on any part of the work, except where such excess material has been supplied or work done by order of the City and in the absence of default or negligence on the part the Contractor. Should the dimensions of any part of the work or of the materials be less than those required by the drawings or the directions of the City, only the actual quantities placed will be allowed in measurement.

50. **CONTINGENT ITEMS & QUANTITIES** Items and quantities identified as being contingent are provided in the contract for use when and as directed by the City. These items are established for the purpose of obtaining a bid price. The quantities for these contingent items may be increased or decreased without any adjustment to the contract unit price bid or the contingent items may be deleted entirely from the contract by the City. The Contractor shall submit no claim against the City for any adjustment to the

contract unit price bid, should the contingent items be increased, decreased or eliminated entirely. Payment for any contingent items used will be made on the basis of the quantities as actually measured and as specified in the Specifications.

**51. GUARANTEE PERIOD** The Contractor shall warrant and guarantee the work required under this contract for a period of twelve (12) months from the date of Final Acceptance. The Contractor warrants and guarantees to the City, that materials and equipment furnished under the contract shall be of good quality and new unless otherwise required or permitted by the contract documents, that all work will be in accordance with the contract documents, and that all work will be of good quality, free from faults and defects. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If required by the City, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

The Contractor's obligation to perform and complete the work in a workmanlike manner, free from faults and defects and in accordance with the contract documents shall be absolute. The Contractor shall remedy, at his own expense, and without additional cost to the City, all defects arising from either workmanship or materials, as determined by the City, or City's representative. The obligations of the Contractor under this Paragraph shall not include normal wear and tear under normal usage.

If the Contractor does not, within ten (10) days after notification from the City, signify his intention in writing or inaction to correct work, as described above, then the City may proceed with the work and charge the cost thereof to the account of the contract as herein before provided.

Warranty documents shall be furnished by the Contractor and shall be delivered to the City before final payment is made.



**CITY OF ROCKVILLE  
MARYLAND  
GENERAL CONDITIONS AND INSTRUCTIONS TO BIDDERS**  
(PROPOSAL 10.2012)

1. **TERMS AND CONDITIONS** The terms and conditions of this document govern in event of conflict with any terms of the bidder's proposal, and are not subject to change by reasons of written or verbal statement by the Contractor unless accepted in writing. Words and abbreviations that have well known technical or trade meanings are used in accordance with such meanings.
2. **PREPARATION** All bids are to be submitted in a sealed envelope to the Purchasing Office marked with the bid number.  
  
Conditional bids and bids containing escalator clauses will not be accepted. Bids must be signed by an individual authorized to bind the bidder.
3. **LATE BIDS** It is the bidder's responsibility to assure delivery of the bid at the proper time to the designated location. Bids delivered to any other office or location will not be considered.
4. **BID AWARD** The award will be made to the offeror whose proposal, in the opinion of the City is the best taking into consideration all aspects of the offeror's responses, including total net cost to the City. In the event that the offeror to whom the award is made does not execute a contract within 15 days from receipt of the contract, the City may give notice to such offeror of intent to award the contract to the next most qualified offeror, or to call for new proposals.
5. **ADDENDUM** In the event that any addenda to this solicitation is issued, all solicitation terms and conditions will retain in effect unless they are specifically changed in the addendum. It is the responsibility of the bidder to make inquiry as to addenda issued. Oral answers to questions relative to interpretation of specifications or the proposal process will not be binding on the City. Such addendums, if issued, will posted at: <http://rockvillemd.gov/business/bids.htm#Bids>  
  
Please note, that it is the bidder's responsibility to check this site frequently for Addendums, which may impact pricing, this document's requirements, terms and/or conditions. Failure to acknowledge an addendum on the bid proposal form or to sign and return an Addendum with your response may result in disqualification of proposal.
6. **ACCEPTANCE/REJECTION OF BIDS** The City reserves the right to reject any or all bids in part or full and to waive any technicalities or informalities as may best serve the interests of the City.  
  
Bids shall be valid for a minimum of 120 days following the deadline for submitting offers. Bids may not be withdrawn during that period. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given to the Purchasing Agent of Offeror's intent to withdraw its offer. Offers may only be canceled by submitting Notice at least 15 days before the expiration of the then current 120-day period.
7. **MULTI-YEAR BIDS** Multi-year contracts may be continued each fiscal year only after funding appropriations have been granted. In the event necessary funding appropriation is not granted, the multi year contract shall be null and void, effective July 1st of the affected year.
8. **ERRORS IN BIDS** When an error is made in extending total prices the unit bid price will govern. Erasures in bids must be initiated by the bidder. Carelessness in quoting prices or in preparation of bid will not relieve the bidder from performing the contract.
9. **BID WITHDRAWAL** Requests for withdrawal of bids prior to bid opening shall be transmitted to the Purchasing Agent in writing.
10. **MISTAKES** Bidders are expected to be thoroughly familiar with all bid documents, including all addenda. No consideration will be granted for any alleged misunderstanding of the intent of the specifications. Each bidder shall carefully and thoroughly examine these bid documents for completeness. No claim of any bidder will be allowed on the basis that these bid documents are incomplete.

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**General Terms, Conditions and Instructions-DO NOT RETURN**

11. **SENSITIVE DOCUMENTS** Sensitive documents (either electronic or hardcopy documents dealing with critical facilities or sensitive information) received from the City must be handled consistent with the terms of non-disclosure required for application. Contractor is responsible to restrict use of sensitive documents to project participants only and shall take appropriate measure to prevent distribution of sensitive document to anyone inside or outside of the Contractor's company except Contractor's project participants. After completion of the project, all sensitive documents remaining in the Contractor's possession shall continue to be governed under the terms of non-disclosure and must continue to be store in a secure manner. After such records are no longer need for record purposes, the records shall be destroyed or returned to the City.

Where services require the Contractor to access the City's electronic information resources and/or its electronic data assets, the Contractor shall adhere to all requirements, terms and conditions of the City's Contractor/Vendor On-Site and Remote Access Confidentiality Agreement, which can be viewed at the following web address:  
[http://www.rockvillemd.gov/business/Rockville\\_Confidentiality\\_Policy.pdf](http://www.rockvillemd.gov/business/Rockville_Confidentiality_Policy.pdf).

12. **DOCUMENTS, MATERIALS AND DATA** All documents materials or data developed as a result of this contract are the City's property. The City has the right to use and reproduce any documents, materials and data, including confidential information, used in the performance of, or developed as a result of this contract. The City may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right to use all documents, materials or data used or developed in connection with this contract. The Contractor must keep confidential all documents, materials and data prepared or developed by the contractor or supplied by the City.
13. **INTEREST IN MORE THAN ONE BID AND COLLUSION** Multiple bids received in response to a single solicitation from an individual, firm, partnership, corporation, affiliate, or association under the same or different names will be rejected. Reasonable grounds for believing that a bidder is interested in more than one bid for a solicitation both as a bidder and as a subcontractor for another bidder, will result in rejection of all bids in which the bidder is interested. However, a firm acting only as a subcontractor may be included as a subcontractor for two or more bidders submitting a bid for the work. Any or all bids may be rejected if reasonable grounds exist for believing that collusion exists among any bidders. Bidders rejected under the above provisions shall be disqualified if they respond to a re-solicitation for the same work.
14. **EXECUTION OF CONTRACT** The Contractor shall be required to execute a formal agreement with the City within fifteen days from the award. A sample of the agreement is attached. No revisions to the agreement will be allowed.
15. **COMPENSATION** The City will compensate the Contractor in the form of either lump sum payment upon completion and acceptance of the work or monthly progress payments. In either event, compensation shall not exceed any fixed, firm Lump Sum or Total proposed pricing within the Contractor's offer. All non-labor costs associated with administration, including but not limited to plan copies, courier, mailing data processing, forms, fax transmission, telephone calls, printing, office supplies, copying, are to be included with the pricing and hourly rates offer, otherwise they shall become the responsibility of the Contractor. No payment or reimbursement will be made for travel expenses.
16. **INVOICING** The Contractor shall submit invoices, in duplicate, which shall include a detailed breakdown of all charges for that monthly period including employee names, date of services, itemized cost (hours and hourly rates) for service.
- Invoices shall be based upon completion of tasks and deliverables and shall reference a City Purchase Order number. All such invoices will be paid promptly by the City of Rockville unless any items thereon are disputed in which event payment will be withheld pending verification of the amount claimed and the validity of the claim. The firm shall provide complete cooperation during any such investigation. All invoices shall be forwarded to the following address: City of Rockville, Attn: (Project Manager), 111 Maryland Avenue, Rockville, MD 20850.
17. **ELECTRONIC PAYMENT OPTION** The Vendor ACH Payment Program of the City allows payments to be deposited directly to a designated financial institution account. Funds will be deposited into the account of your choice automatically and on time. All transactions are conducted in a secure environment. The program is totally free as part of the Finance Department's efforts to improve customer services. Program information and registration can be viewed at the following web address:  
<http://www.rockvillemd.gov/business/payment>
18. **PAYMENT TO SUBCONTRACTOR** Within seven days after receipt of amounts paid by the City for work performed by a subcontractor under this contract, the Contractor shall either: Pay the Subcontractor for the proportionate share of the total payment received from the City of Rockville attributable to the work performed by the Subcontractor under this contract; or Notify the City of Rockville and Subcontractor, in writing, of his/her intention to withhold all or a part of the Subcontractor's payment and the reason for non-payment.
19. **PERSONNEL** Principal or key personnel included in the proposal may not be substituted without written approval of the City of Rockville. Replacements for key personnel under the contract must have equivalent professional qualifications and experience as those individuals listed in the proposal. The Consultant must submit written

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professional qualifications and experience for approval within ten working days prior to replacement for City review and approval or rejection.

20. **PRICE ADJUSTMENTS (CPI)** Unless otherwise stated in the bid document, rates quoted are to be firm for two (2) years after award of a contract. These rates will apply to additional work, change orders and contract modifications. A request for price adjustment after the 2-year period is subject to approval or rejection by the Purchasing Agent. The Consultant shall submit to the Purchasing Agent sufficient justification to support the Consultant's request. A request for price adjustment may not be approved which exceeds the amount of the annual percentage change of the Consumer Price Index (CPI) for the twelve-month period immediately prior to the date of the request.

21. **INTERPRETATION** Any questions concerning general instruction and specifications shall be directed in writing to the Purchasing Office. The submission of a bid shall be prima facie evidence that bidder thoroughly understands the terms of the specification. The Contractor shall take no advantage of any error or omission in the specifications.

22. **DELIVERY** All time limits stated in the contract documents are of the essence. The Contractor shall expedite the work and achieve substantial completion within the contract time. If time limits are not specified, state the number of days required to make delivery/completion in the space provided. Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor, notwithstanding that such materials/workmanship have been previously overlooked and accepted.

23. **DELAYS/EXTENSION OF TIME** If the Contractor is delayed in the delivery of the supplies, equipment or services by any act or neglect of the City or by a separate Contractor employed by the City, or by any changes, strikes, lockouts, fires, unusual delays in transportation or delay authorized by the City, the City shall review the cause of such delay and shall make an extension if warranted.

All claims for extensions must be a written notice sent to the Purchasing Agent within ten (10) calendar days after the date when such alleged cause for extension of time occurred. All such claims shall state specifically the amount of the delay the Contractor believes to have suffered. If statement is not received within the prescribed time the claim shall be forfeited and invalidated.

24. **TERMINATION FOR DEFAULT** The contract may be cancelled or annulled by the City in whole or in part by written notice of default to the Contractor upon nonperformance or violation of contract terms and an award may be made to second ranked Bidder, or, the work may be purchased on the open market similar to those so terminated. In either event, the defaulting Contractor (or his surety) shall be liable to the City for costs to the City in excess of the defaulted contract prices.

25. **TERMINATION FOR CONVENIENCE** The performance of work or services under this contract may be terminated in whole or part, upon five (5) calendar day's written notice when the City determines that such termination is in its best interest. The City shall be liable only for those accepted goods and/or services furnished prior to the effective date of such termination.

26. **ABANDONMENT, DISSOLUTION AND RESTRUCTURING** A Contractor who abandons or defaults the work on this contract and causes this contract to be re-bid will not be considered in future bids for the same type of work unless the scope of the work is significantly changed. Written notification of changes to company name, address, telephone number, etc. shall be provided to the City Of Rockville as soon as possible but not later than thirty (30) days from date of change.

27. **CHANGES** The City, without invalidating the contract, may order written changes in the scope of work consisting of additions, deletions or modification with the contract sum and time being adjusted accordingly. All such changes shall be made in writing by the Purchasing Agent.

Costs shall be limited to the following: cost of materials, cost of labor and additional costs of supervision and field office personnel directly attributable to the change.

The cost or credit to the City from a change in the scope of work shall be determined by mutual agreement. The Contractor shall do all work that may be required to complete the work contemplated at the unit prices or lump sum to be agreed upon.

No alterations or variables in the terms of the contract shall be valid or binding upon the City unless made in writing and signed by the City.

28. **EXTRA COSTS** If the Contractor claims that any instructions by drawings or otherwise involve extra cost or extension of time, a written request must be submitted to the Project Manager within ten (10) calendar days after receipt of such instructions and before proceeding to execute the work, stating in detail the basis for objection. No such claim will be considered unless so made.

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**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS—DO NOT RETURN**

Any discrepancies which may be discovered between actual conditions and those represented by the specifications and/or drawings shall be reported to the City and work shall not proceed, until written instruction has been received by the Contractor from the City. On drawings the figured dimensions shall govern in the case of discrepancy between the scales and figures.

Anything shown on applicable plans and not mentioned in the specifications or mentioned in the specifications and not shown on the plans have the same effect as if shown or mentioned respectively on both.

29. **GUARANTEE** All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Project Manager before final payment is made.

The Contractor guarantees that the items conform to the design and specifications and to drawings, samples or other descriptions referred to in this document. The Contractor further guarantees the items will be free from defects in materials and workmanship, latent or patent and are suitable for the intended purpose as far as the Contractor knows or has reason to know. The guarantee contained herein shall remain in full force and effect for a minimum of one year after initial delivery to the City unless another effective period is specified.

30. **DEFECTIVE SUPPLIES/SERVICE** Defective or unsuitable materials or workmanship shall be rejected and shall be made good by the Contractor. Contractor shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all its effort and other services furnished by Contractor under the Agreement. Without additional compensation, Contractor shall correct or revise any errors, omissions, or other deficiencies in all products of its efforts and other services provided. This shall include resolving any deficiencies arising out of the acts or omissions of Contractor found during or after the course of the services performed by or for Contractor under this Agreement, regardless of City having knowledge of or condoning/accepting the products or the services. Correction of such deficiencies shall be at no cost to City.

31. **LEGAL REQUIREMENTS** All materials, equipment, supplies and services shall conform to applicable Federal, State County and City laws, statutes, rules and regulations. The Contractor shall observe and comply with all Federal, State, County and City laws, statutes, rules and regulations that affect the work to be done. The provisions of this contract shall be governed by the laws of the State of Maryland.

32. **SUBCONTRACTING** When allowed, bidders who intend to subcontract any portion of the work including delivery, installation or maintenance will submit to the City prior to the start of work: 1) a description of the items to be subcontracted, 2) all subcontractor names, addresses and telephone numbers and 3) the nature and extent of the work utilized during the life of the contract.

This does not relieve the Contractor from the prime responsibility of full and complete performance under the contract. There shall be no contractual relationship between the City and any subcontractor.

33. **RESERVATIONS** The City reserves the right to add or delete any item(s) from the bid in whole or in part at the City's discretion without affecting the bid prices for any item or remaining work. Unit prices submitted in the bid shall not be increased or decreased regardless of changes in quantity.

The City may waive minor differences in specifications in bids provided these differences do not violate the specifications' intent nor materially affect the operation for which the items are being purchased.

34. **AUTHORITY OF THE CITY MANAGER IN DISPUTES** Except as may otherwise be provided by the final agreement, any dispute concerning a question of fact arising under the agreement signed by the City and the Contractor which is not disposed of by the final agreement shall be decided by the City Manager who shall notify the Contractor in writing of his determination. The Contractor shall be afforded the opportunity to be heard and offer evidence in support of the claim. Pending final decision of the dispute herein, the Contractor shall proceed diligently with performance under the agreement signed by the City and the Contractor. The decision of the City Manager shall be final and conclusive unless an appeal is taken pursuant to City Purchasing Ordinance.

35. **INDEMNIFICATION OF THE COUNCIL** The Contractor shall indemnify and save harmless the Mayor and Council from all suits, actions and damages or costs, of every name and description to which the Mayor and Council may be subjected or put by reason of injury to persons or property as a result of the work, whether caused by negligence or carelessness on part of the Contractor, or subcontractors or agents of the Contractor.

36. **NO LIMITATION OF LIABILITY** The mention of any specific duty or liability of the Contractor in any part of the specification shall not be construed as a limitation or restriction upon any general liability or duty imposed upon the Contractor.

37. **PROPRIETARY INFORMATION** The City agrees, to the extent permitted by law, to hold all material and information belonging to the offeror, which it deems to be confidential, in strictest confidence. The Contractor agrees to hold all material and information belonging to the City or the City's agents in strictest confidence and not to make use thereof

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**ATTACHMENT E**

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**GENERAL TERMS, CONDITIONS AND INSTRUCTIONS — DO NOT RETURN**

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other than for the performance of contractual obligations, to release it only to employees requiring such information. Reasonable precautions will be exercised for the protection of any proprietary data included in the proposal.

38. **RELEASE OF INFORMATION** During the term of the final agreement, the successful Contractor shall not release any information related to the services or the performance of the services under the agreement nor publish any final reports or documents without the prior written approval of the City.

39. **PATENTS AND ROYALTIES** Whenever any article, material, appliance, process composition, means or things called for by these specifications is covered by Letter of Patent, the successful bidder must secure, before using or employing such materials, the assent in writing of the owner or licensee of such letters of patent, and file the same with the City.

The Contractor will defend, at its own expense, and will pay the cost and damages awarded in any action brought against the City based on any allegation that the items provided by the Contractor infringe on a patent and copyright license or trade secret. In the event that an injunction shall be obtained against the City's use of items by reason of infringement of any patent, copyright, license or trade secret, the Contractor will, at its expense, procure for the City the right to continue using the items, replace or modify the same so that it becomes non-infringing.

40. **MISCELLANEOUS PROVISIONS** The City and the Contractor each bind themselves, their partners, successors, assign and legal representatives of such other parties in respect to all covenants, agreements, and obligations contained in the contract document. Neither party to the contract shall assign the contract or sublet it as a whole without the written consent of the other, nor shall the Contractor assign any monies due or to become due hereunder without the previous written consent of the City. Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or to any officer of the corporation for whom it was intended if delivered or sent by registered or certified mail to the last known address.

Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of the duties, obligations, rights and remedies otherwise imposed or available by law, unless so indicated.

41. **ETHICS REQUIREMENTS** In accordance with the City's financial disclosure and ethical conduct policy and/or ordinances a prerequisite for payment pursuant to the terms of this contract is that the Contractor may be required to furnish explicit statements, under oath, that the City Manager, and/or any other officer, agent, and/or employee of the City, and any member of the governing body of the City of Rockville or any member or employee of a Commission, Board, or Corporation controlled or appointed by the City Council, Rockville, Maryland has not received or has not been promised directly or indirectly any financial benefit by way of fee, commission, finder's fee, or in any other manner, remuneration arising from directly or indirectly related to this contract, and that upon request by the City Manager, or other authorized agent, as a prerequisite to payment pursuant to the terms of this contract, the Contractor will furnish to the Mayor and Council of the City of Rockville, under oath, answers to any interrogatories to a possible conflict of interest has herein embodied.

42. **BROKERING** The Contractor warrants that only an established commercial or selling agency maintained by the Contractor for the purpose of securing business may be retained to solicit or secure this contract. Any brokerage arrangements must be disclosed in the proposal. For violation of this warranty, the City shall have the right to terminate or suspend this contract without liability to the City.

43. **EQUAL EMPLOYMENT OPPORTUNITY** The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, or disability. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, national origin, or disability. Such action shall include but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment, layoff or termination; rates of pay or other form of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices (provided by the City) setting forth the provisions of this nondiscrimination clause.

If the Contractor fails to comply with non-discrimination clauses of this contract or fails to include such contract provisions in all subcontracts, this contract may be declared void AB INITIO, cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further contracts with the City of Rockville.

Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to the City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor will permit access to the Contractor's books, records and accounts. If the City Manager concludes that the Contractor has failed to comply with nondiscrimination clauses, the remedies set out above may be invoked.

44. **LANGUAGE** If applicable, the Contractor shall appoint one or more crew members or supervisors to act as liaison with the City and emergency service personnel. All liaisons shall be fluently bilingual in English and the Contractor's

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employees' language(s), and at least one liaison shall be present at each work site at all times when any of the Contractor's employees or agents are at the site.

45. **IMMIGRATION REFORM AND CONTROL ACT.** The Contractor awarded a contract pursuant to this bid shall warrant that it does not and shall not hire, recruit or refer for a fee, for employment under the contract, an alien knowing the alien is an unauthorized alien and hire any individual without complying with the requirements of the Immigration Reform and Control Act of 1986 (the Act), including but not limited to any verification and record keeping requirements. The Contractor shall further assure the City that, in accordance with the Act, it does not and will not discriminate against an individual with respect to hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment because of such individual's national origin or in the case of a citizen or intending citizen, because of such individual's citizenship status.
46. **ASSIGNMENT** Neither this contract nor any interest therein nor claim thereunder shall be assigned or transferred by the Contractor except as expressly authorized in writing by the City.
47. **EXCLUSION** As part of the contract, the offeror must warrant that it will not engage in providing consulting or other services to any private entity regarding any property within the study area during the term of the project. This requirement is intended to avoid the appearance of any conflict of interest that may arise. This exclusion also applies to all subcontractors.
48. **OWNERSHIP OF DOCUMENTS** Any and all deliverables, including but not limited to reports, specifications, blueprints, plans, negatives, electronic files and documents, as well as, any other documents prepared by the Contractor in the performance of its obligations under the resulting contract shall be the exclusive property of the City. The Contractor shall not use, willingly allow, or cause such materials to be used for any purpose other than performance of all Contractors' obligations under the resulting contract without the prior written consent of City. Documents and materials developed by the Contractor under the resulting contract shall be the property of City of Rockville; however, the Contractor may retain file copies, which cannot be used without prior written consent of the City. The City agrees that the Contractor shall not be liable for any damage, loss, or injury resulting from the future use of the provided documents for other than the project specified, when the Contractor is not the firm of record.

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## Insurance Requirements

### INSURANCE REQUIREMENTS REV2 (09/08)

Prior to the execution of the contract by the City, the Contractor must obtain at their own cost and expense and keep in force and effect during the term of the contract including all extensions, the following insurance with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Contractor's insurance shall be primary.

The Contractor must submit to the Purchasing Division, 111 Maryland Avenue, Rockville, MD 20850 a certificate of insurance prior to the start of any work. In no event may the insurance coverage be less than shown below.

Unless otherwise described in this contract the successful contractor and subcontractors will be required to maintain for the life of the contract and to furnish the City evidence of insurance as follows:

#### **MANDATORY REQUIREMENTS FOR INSURANCE**

Contractor's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Contractor's insurance and shall not be called upon to contribute with it.

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
1. <b>Workers' Compensation</b> 2. <b>Employers' Liability</b>	Bodily Injury by Accident: \$100,000 each accident  Bodily Injury by Disease: \$500,000 policy limits  Bodily Injury by Disease: \$100,000 each employee	Waiver of Subrogation:  WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.
3. <b>Commercial General Liability</b> a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.  CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.
4. <b>Automobile Liability</b> a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. Form CA20 48 02 99 form to be both signed and dated.
5. <b>Excess/Umbrella Liability</b>	Each Occurrence/Aggregate: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage.
6. <b>Professional Liability</b>	Each Occurrence/Aggregate: \$1,000,000	

Alternative and/or additional insurance requirements, when outlined under the special provisions of this contract, shall take precedence over the above requirements in part or in full as described therein.

#### **POLICY CANCELLATION**

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City Purchasing Division. The Contractor shall furnish a new certificate prior to any change or cancellation date. The failure of the Contractor to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

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## Insurance Requirements

### **ADDITIONAL INSURED**

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Contractor's Commercial and Excess/Umbrella Insurance for liability arising out of contractor's products, goods, and services provided under this contract. Additionally, The Mayor and Council of Rockville must be named as additional insured on the Contractor's Automobile and General Liability Policies. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

### **SUBCONTRACTORS**

All subcontractors shall meet the requirements of this Section before commencing work. In addition, Contractor shall include all subcontractors as insured's under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to all of the requirements stated herein.

### **CERTIFICATE HOLDER**

The Mayor and Council of Rockville  
(Contract #, title)  
City Hall  
111 Maryland Avenue  
Rockville, MD 20850

**RETIRMENT BOARD MEETING  
SEPTEMBER 7, 2018**

**AGENDA ITEM III**

**INVESTMENT PERFORMANCE  
REVIEW**



**City of Rockville**

# **ANALYSIS OF INVESTMENT PERFORMANCE**

Pension Fund, Thrift/457(b) Plan, and Retiree Benefit Trust

June 30, 2018

Ryen Sherman, CFA  
*Vice President*

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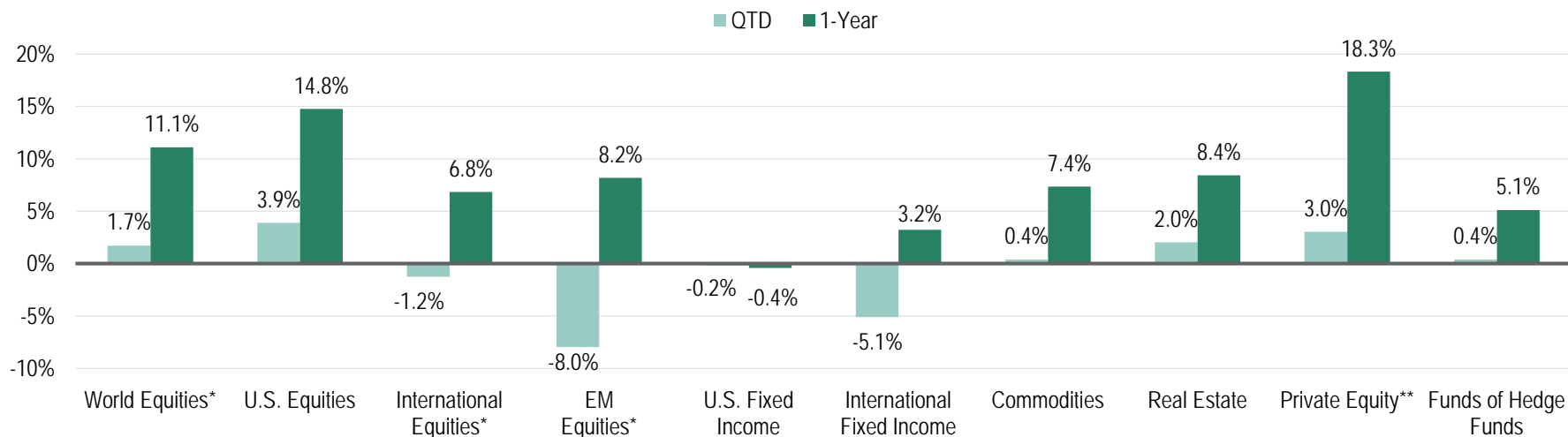


## **Financial Market Conditions**



# Q2 2018 In Review

## Summary of Investment Returns



## Quarterly Synopsis

- World equity markets rose in Q2. Solid economic and earnings data outweighed global policy uncertainty among investors.
- U.S. equity gained, as more positive news about the economy and earnings led stocks to rise despite global trade concerns.
- International equity fell in the second quarter, hurt by a strong U.S. dollar and trade worries.
- Emerging market equity declined for the same reasons as international developed markets, but it was stung a bit worse.
- U.S. fixed income was slightly negative at quarter-end. Short-term interest rates rose in Q2, while longer-term Treasury yields fell.
- Non-U.S. fixed income was down in Q2 as political uncertainty in Italy grew.
- Hedge funds ended Q2 in positive territory. Event-driven strategies performed the best during the quarter and year-to-date.

\* Net of Dividends

\*\* Performance as of Q1 2018 because Q2 2018 performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

# Q2 2018 Index Returns

Asset Class	Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World Equity	MSCI World <sup>1</sup>	1.73	0.43	11.09	8.48	9.94	6.26
U.S. Equity	Russell 3000	3.89	3.22	14.78	11.58	13.29	10.23
Non-U.S. Equity	MSCI EAFE <sup>1</sup>	-1.24	-2.75	6.84	4.90	6.44	2.84
Emerging Market Equity	MSCI EM <sup>1</sup>	-7.96	-6.66	8.20	5.60	5.01	2.26
U.S. Fixed Income	Bloomberg Barclays U.S. Aggregate	-0.16	-1.62	-0.40	1.72	2.27	3.72
Non-U.S. Fixed Income	FTSE <sup>2</sup> Non-U.S. WGBI (Unhedged)	-5.11	-0.92	3.22	3.74	1.01	1.77
Commodities	Bloomberg Commodity Index	0.40	0.00	7.35	-4.54	-6.40	-9.04
Private Real Estate	NFI-ODCE <sup>3</sup>	2.03	4.27	8.42	9.36	11.03	5.29
Private Equity	Thomson Reuters Private Equity <sup>4</sup>	3.03	3.03	18.32	12.43	13.96	9.51
Hedge Funds	HFRI Fund of Funds Composite	0.39	0.66	5.11	1.92	3.45	1.40

<sup>1</sup> Net of Dividends

<sup>2</sup> Formerly Citigroup Non-U.S. WGBI. Citigroup's fixed income indices were purchased by London Stock Exchange Group (LSEG) and will all be rebranded to FTSE by July 31, 2018. FTSE Russell is a unit of LSEG's Information Services Division and a wholly owned subsidiary of LSEG.

<sup>3</sup> NCREIF Fund Index (NFI) – Open End Diversified Core Equity (ODCE).

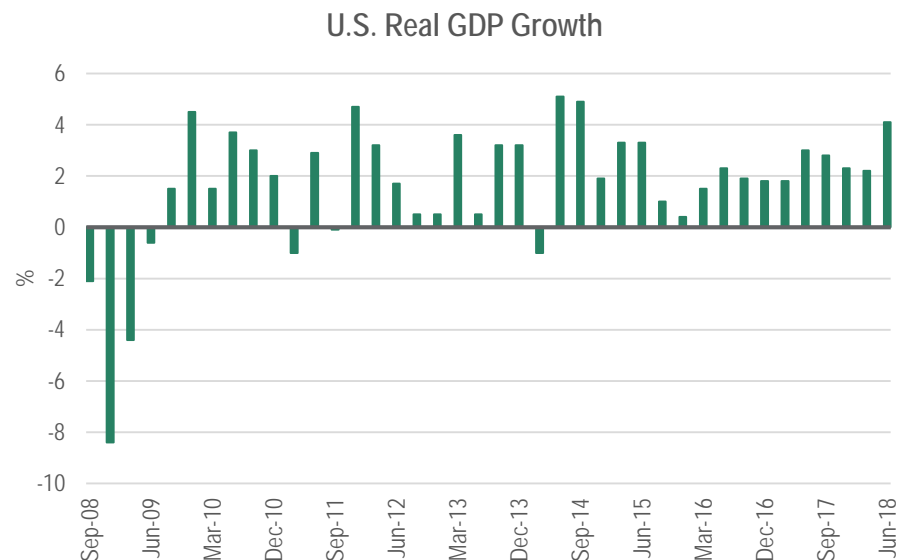
<sup>4</sup> Performance as of Q1 2018 because Q2 2018 performance data is not yet available.

Sources: Investment Metrics, Thomson One, FactSet

# Q2 2018 In Review: U.S. Economy

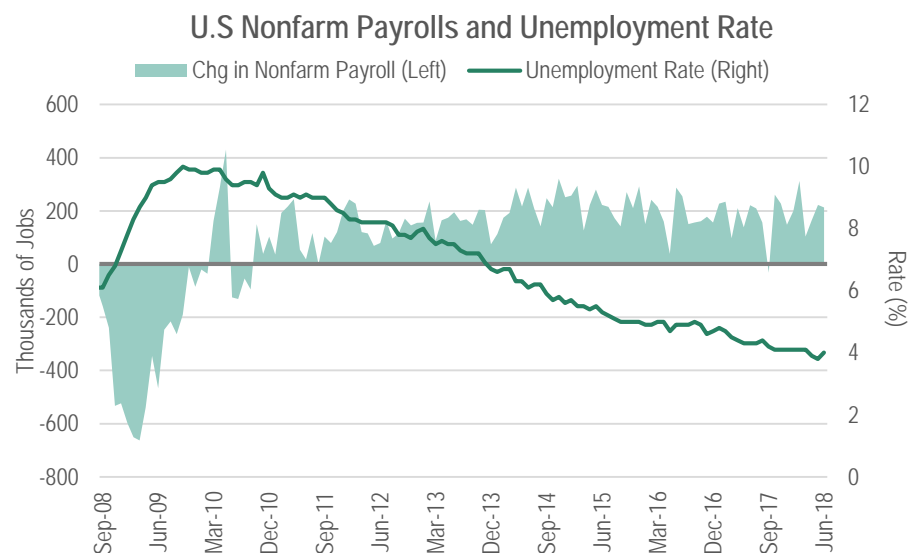
## GDP Growth

- Real GDP grew at a rate of 4.1% in Q2 2018. Real GDP growth for Q1 was revised upward from 2.0% to 2.2%.
- GDP growth in Q2 came from nonresidential fixed investment, exports, personal consumption expenditures (PCE), exports, private inventory investment, state and local government spending and federal government spending.
- These contributions were offset by reductions in private inventory investment and residential fixed investment.



## Employment Picture

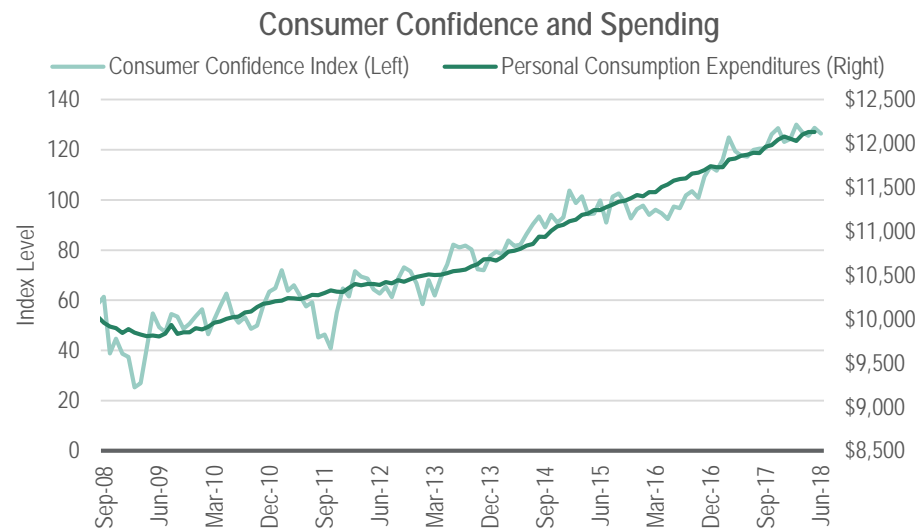
- The unemployment rate fell to 3.8% in May, but ticked back up to 4.0% at the end of Q2. A stronger labor market seemed to lure more people into the work force, but they did not all find jobs.
- Nonfarm payrolls rose by 632,000 over the quarter.
- Employment grew across almost all sectors, led by gains in health care and professional and business services, construction, mining, and manufacturing. Retail was negative. Government, trade, transportation, and leisure were flat.



# Q2 2018 In Review: U.S. Economy

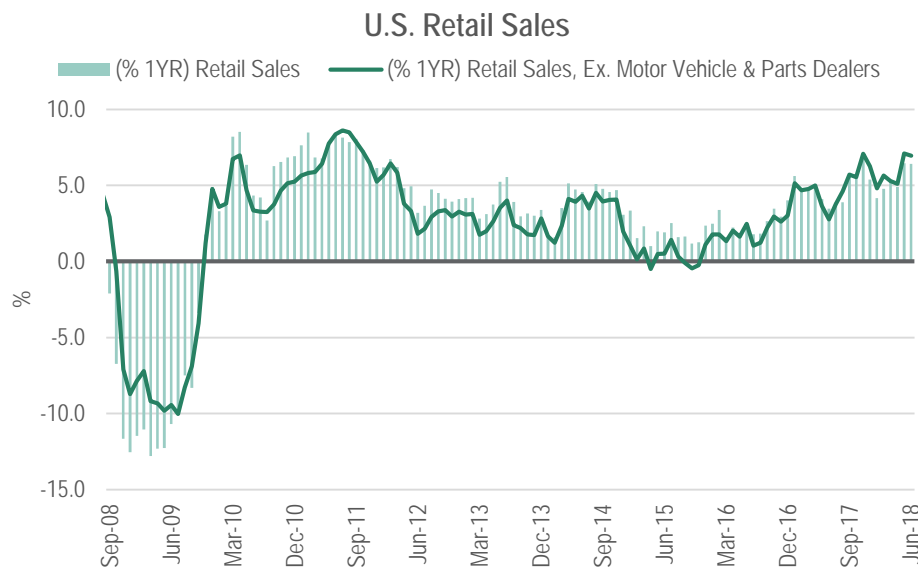
## Consumer Confidence and Spending

- Sentiment declined a bit in Q2, as the Conference Board's Consumer Confidence Index fell from 127.7 at the end of March to 126.4 at the end of June.
- Personal consumption expenditures increased during the quarter.
- Consumer confidence fell in June as warning signs about the U.S. economy's continuing strength gave consumers pause.



## Retail Sales

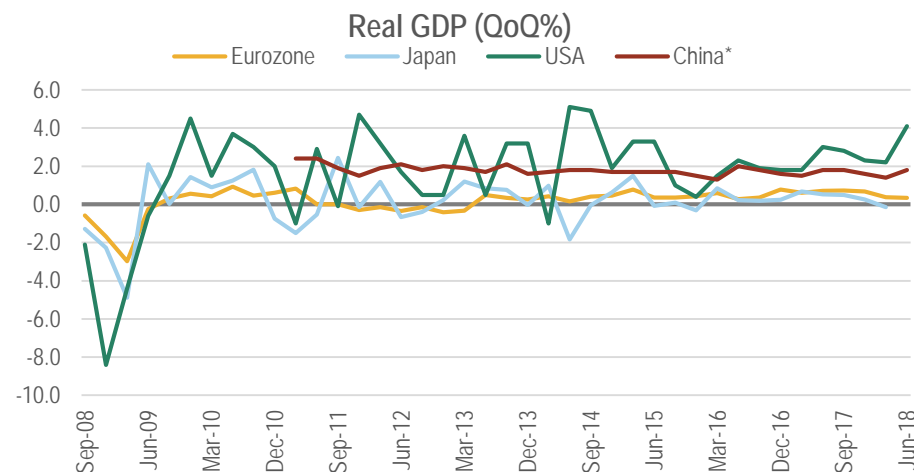
- Retail sales rose in Q2, with a still-solid U.S. economy and strong consumer spending amid a tight labor market.
- The savings rate rose to 3.2% at the end of May from 3.1% in Q1 2017. The savings rate among consumers in the U.S. had been dropping steadily in 2017, suggesting that more people were using credit cards and other debt to finance purchases.



# Q2 2018 In Review: Global Economy

## World GDP Growth

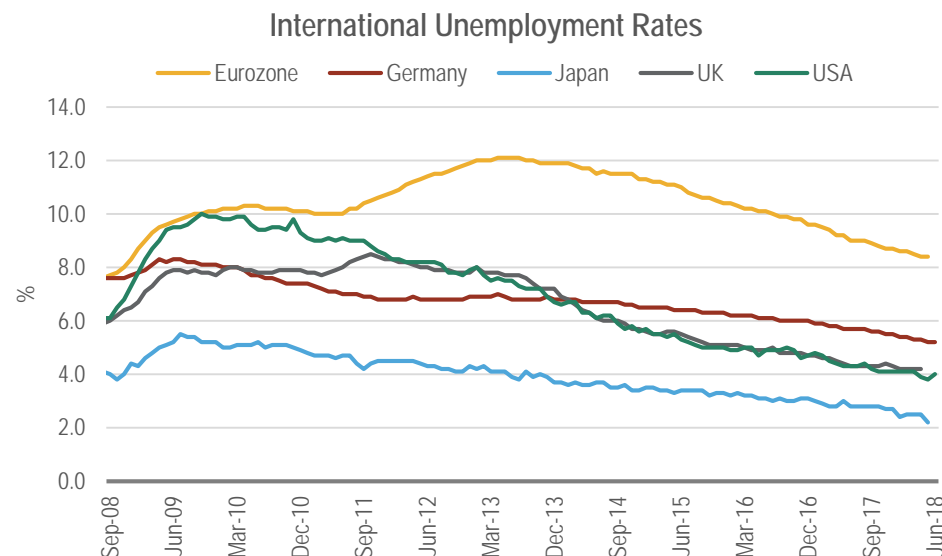
- Eurozone GDP growth slowed in Q2 due to worries about global trade. The Eurozone's annual growth rate is 2.1%.
- China's GDP growth increased by 0.4% from Q1 to Q2, to 1.8%. The country's annual growth rate fell to 6.7%.
- Japan's GDP contracted 0.2% QoQ in Q1, the most recent data available. The Japanese economy's annual growth rate is 1.1%.



Note that the figures in the graph above represent the percent change in real GDP from the previous quarter, not the annual growth rate of these economies.

## Global Employment Picture

- Eurozone unemployment fell to 8.4% in May 2018\*\*, the region's lowest-recorded rate since December 2008. The Eurozone's recent strength has led to this reduction in unemployment, although momentum has slowed a bit in that economy so far this year.
- Japan's unemployment rate dropped to 2.2% in May 2018\*\*. This marked the country's lowest level of unemployment since October 1992.



\*Quarter over quarter data calculations began in 2011.

\*\*Most recent data available.

Source this page: FactSet

## Q2 2018 In Review: Global Equity Overview

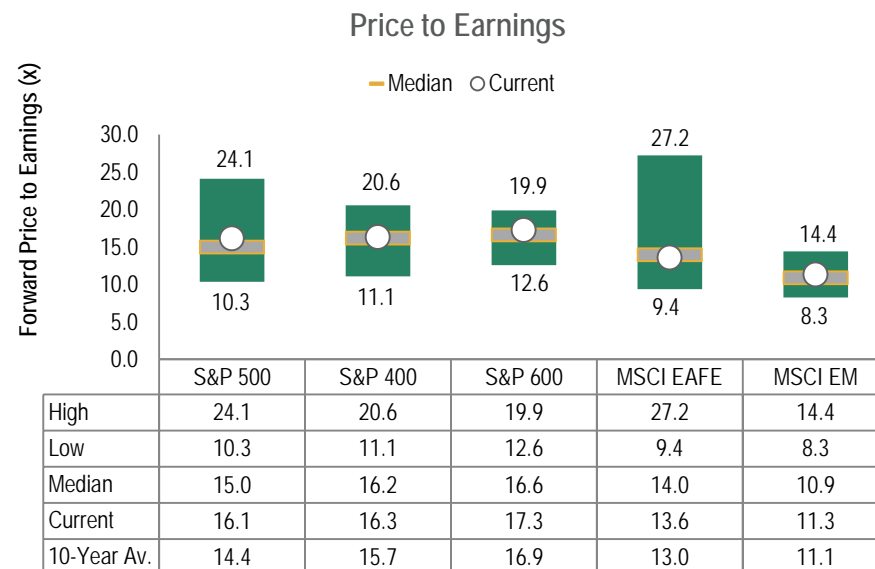
Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17
MSCI Europe, Australasia and Far East (EAFE)*	-1.24	-2.75	6.84	4.90	6.44	2.84
MSCI Emerging Markets (EM)*	-7.96	-6.66	8.20	5.60	5.01	2.26

All data in the table are percentages.

\* Net of dividends

### Global Equity Performance and Valuations

- U.S. equities outperformed international and emerging equity markets in Q2. Positive earnings momentum and supportive economic data in the U.S. helped to lift domestic equities despite turmoil from global trade disputes.
- Over the medium to longer term, U.S., non-U.S. developed, and emerging market equity markets are all in positive territory.
- The current multiple for U.S. large cap is above median and its 10-year average, indicating it may be slightly overvalued. U.S. small and mid caps appear to be more fairly valued relative to their median and long-term averages.
- The current MSCI EAFE P/E multiple is near its median and 10-year average. As such, international equities appear close to fairly valued according to this measure.
- The MSCI EM P/E multiple at the end of Q2 was around its median and 10-year average; therefore, emerging market equities also appear to be relatively fairly valued by this measure.



Data range is from 12/31/99-6/30/18. P/E ratios are forward 12 months.

## Q2 2018 In Review: U.S. Equity

U.S. Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
S&P 500	3.43	2.65	14.37	11.93	13.42	10.17
Russell 1000	3.57	2.85	14.54	11.64	13.37	10.20
Russell 1000 Growth	5.76	7.25	22.51	14.98	16.36	11.83
Russell 1000 Value	1.18	-1.69	6.77	8.26	10.34	8.49
Russell 2000	7.75	7.66	17.57	10.96	12.46	10.60
Russell 2000 Growth	7.23	9.70	21.86	10.60	13.65	11.24
Russell 2000 Value	8.30	5.44	13.10	11.22	11.18	9.88
Russell 3000	3.89	3.22	14.78	11.58	13.29	10.23

All data in the tables are percentages.

### Performance

- U.S. equity markets gained in Q2 amid strong economic growth, low unemployment, and rising consumer confidence, all of which persisted despite continued global trade tensions and heightened geopolitical uncertainties.
- During Q2, small cap stocks outperformed large cap stocks. Small caps benefited from having less exposure to global trade.
- Energy was Q2's best performing sector. Consumer Discretionary and IT also experienced strong returns, boosted by positive earnings momentum.
- Industrials and Financials posted the worst performance of Q2. Industrials were impacted by the newly imposed tariffs on aluminum and steel, and Financials were hurt by the flattening yield curve. Consumer Staples and Telecommunications also declined during the quarter, indicating a "risk off" posture in the market.

S&P 500 Sector Returns	QTD	1-Year
Consumer Discretionary	8.07	23.05
Consumer Staples	-1.78	-4.75
Energy	13.24	19.93
Financials	-3.29	9.06
Healthcare	2.96	6.57
Industrials	-3.32	4.72
Information Technology	6.99	30.79
Materials	2.42	9.26
Telecommunications Services	-1.36	-0.20
Utilities	3.46	2.32

## Q2 2018 In Review: International Equity

MSCI International Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
World ex. U.S.	-0.75	-2.77	7.04	4.87	6.23	2.63
EAFE	-1.24	-2.75	6.84	4.90	6.44	2.84
EAFE Local Currency	3.47	-0.96	6.12	5.18	8.93	4.98
Europe	-1.27	-3.23	5.28	4.22	6.21	2.36
Europe ex U.K.	-2.86	-4.07	3.51	4.72	6.80	2.19
U.K.	2.95	-1.05	10.02	3.09	4.94	2.66
Pacific ex Japan	1.77	-2.02	8.68	6.57	6.04	4.64
Japan	-2.84	-2.03	10.51	6.25	7.37	3.54

All data in the tables are percentages and net of dividends.

### Performance

- International equity markets endured a volatile Q2. This was largely due to a backdrop of increased political uncertainty driven by the U.S.-North Korea summit in June, increased rhetoric around protectionist trade tariffs imposed by the U.S. on imports, and an inconclusive election in Italy. Despite declines this calendar year, the MSCI EAFE and World ex-U.S. indices have gained 6.8% and 7.0%, respectively, for the trailing 12-month period.
- In a reversal of the trend we saw in Q1 2018, many major currencies, including the euro, British pound, and Japanese yen, weakened against the U.S. dollar, which was a drag on USD-denominated returns.
- Despite rising volatility, the European Central Bank (ECB) felt confident enough in the Eurozone's GDP growth to forecast the suspension of its quantitative easing program in December 2018.
- Sector returns were broadly negative in Q1. Energy was the one bright spot, driven significantly higher by the trend of rising oil prices. Of the sectors that declined, Financials and Telecommunications suffered the most. Consumer Discretionary and Industrials were also down, in part due to the rising cost of oil weighing on profitability.

MSCI EAFE Sector Returns	QTD	1-Year
Consumer Discretionary	-3.54	8.53
Consumer Staples	-0.67	0.57
Energy	10.01	30.09
Financials	-7.82	-3.98
Healthcare	1.29	-0.54
Industrials	-3.06	5.22
Information Technology	-0.63	13.60
Materials	-0.30	13.54
Telecommunications Services	-6.50	-9.74
Utilities	-1.01	1.69

## Q2 2018 In Review: Emerging Market Equity

MSCI EM Equity Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Emerging Markets	-7.96	-6.66	8.20	5.60	5.01	2.26
EM Local Currency	-3.51	-2.82	10.47	7.48	8.45	5.23
Asia	-5.85	-5.06	10.09	7.31	8.26	5.62
EMEA	-10.19	-11.03	5.61	0.76	-0.26	-2.05
Latin America	-17.75	-11.15	-0.16	2.00	-2.39	-3.68

All data in the tables are percentages and net of dividends.

### Performance

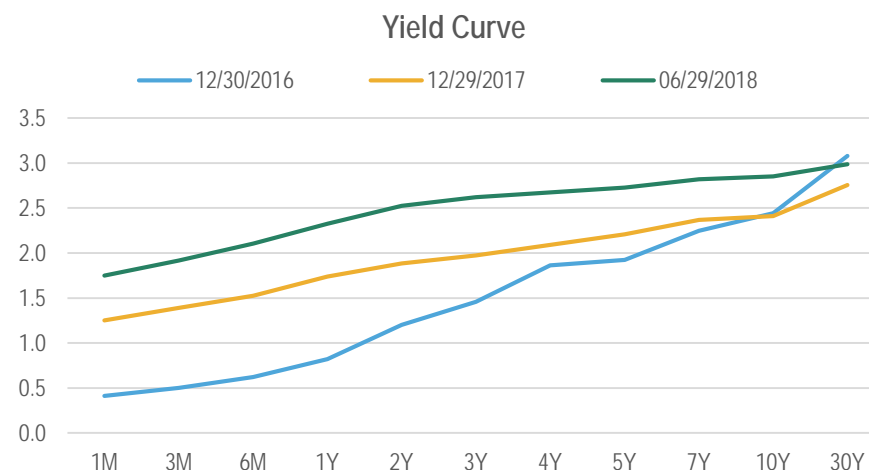
- After a positive start in Q1 (+1.4%), emerging markets declined notably in Q2 amid escalating global trade tensions. Furthermore, the U.S. moved to extend steel and aluminum tariffs to the EU, Canada and Mexico, resulting in retaliatory measures by those respective countries.
- U.S. dollar strength was another headwind to emerging markets. The local currency index finished the quarter 4.5% ahead of the USD-based index.
- Aside from Colombia and Qatar, all 22 other emerging nations lagged in Q2. Brazil fell the most (-26.4%) as a truck driver strike paralyzed the economy and heightened political uncertainty. Turkey also posted a steep loss (-25.9%) due to a mixed response to incumbent Erdogan's win in the presidential re-election and concerns regarding the weakening lira.
- All sectors declined in Q2. Financials (-12.7%) and Industrials (-11.2%) led the underperformance.

MSCI EM Sector Returns	QTD	1-Year
Consumer Discretionary	-7.13	-0.23
Consumer Staples	-6.20	3.27
Energy	-4.71	24.85
Financials	-12.69	5.47
Healthcare	-5.04	22.42
Industrials	-11.21	-5.91
Information Technology	-5.09	15.19
Materials	-5.47	13.95
Telecommunications Services	-9.71	-7.45
Utilities	-8.11	2.20

# Q2 2018 In Review: Fixed Income Overview

## Yield Curve

- Treasury yields rose across all tenors in Q2 as the Fed continued to tighten monetary policy.
- Global demand continued the yield curve's flattening trajectory, with long term Treasury yields failing to rise at the same pace as short term yields.
- The 30-year Treasury ended the quarter yielding 2.99%, only 2 basis points higher than where it was at the end of Q1, while the 2-year Treasury ended the quarter at 2.52%, which was 26 basis points higher than last quarter.

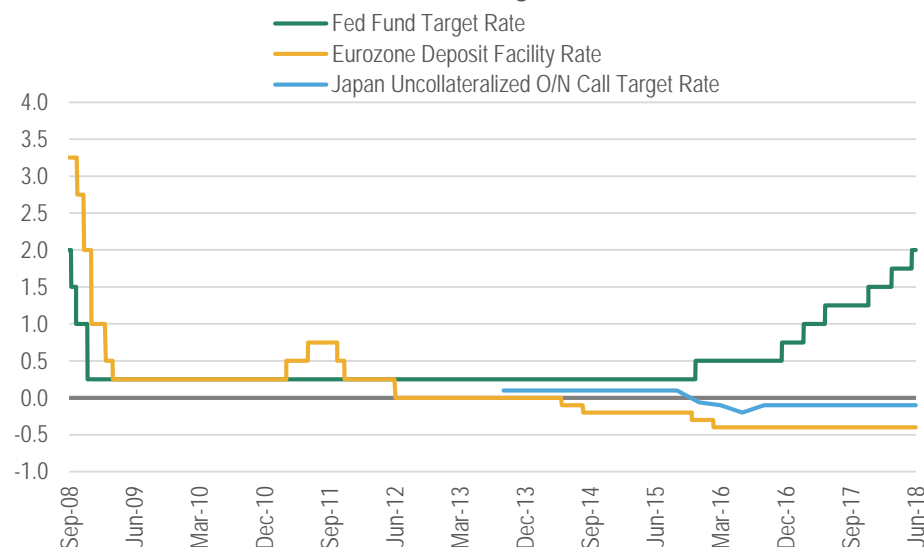


## Monetary Policies/Global Interest Rates

- Central bank deposit rates remained negative in the Eurozone and Japan.
- The U.S. is the exception—the Federal Reserve (Fed) raised rates again in June, the second hike of 2018.
- The Fed continued to hint that four rate hikes in total are likely this year.

Interest Rates	Fed Funds Rate	EZ Deposit Facility Rate
Average	5.72% (1971-2018)	1.28% (1999-2018)
Max	20.0% (Mar. 1980)	3.75% (Oct. 2000)
Min	0.25% (Dec. 2008)	-0.40% (Mar. 2016)

## Central Bank Target Rates



## Q2 2018 In Review: U.S. Fixed Income

U.S. Fixed Income Indices*	QTD	YTD	1-Year	3-Year	5-Year	10-Year
U.S. Aggregate	-0.16	-1.62	-0.40	1.72	2.27	3.72
Government/Credit	-0.33	-1.90	-0.63	1.83	2.29	3.78
Government	0.10	-1.05	-0.63	1.02	1.48	2.91
Investment Grade Corporate	-0.98	-3.27	-0.83	3.07	3.51	5.39
Investment Grade CMBS	0.02	-1.17	0.00	2.00	2.51	4.90
U.S. Corporate High Yield	1.03	0.16	2.62	5.53	5.51	8.19
FTSE** 3-Month T-Bill	0.44	0.79	1.33	0.64	0.39	0.31
Hueller Stable Value	0.54	1.06	2.09	1.90	1.83	2.35

\* Bloomberg Barclays Indices, unless otherwise noted.

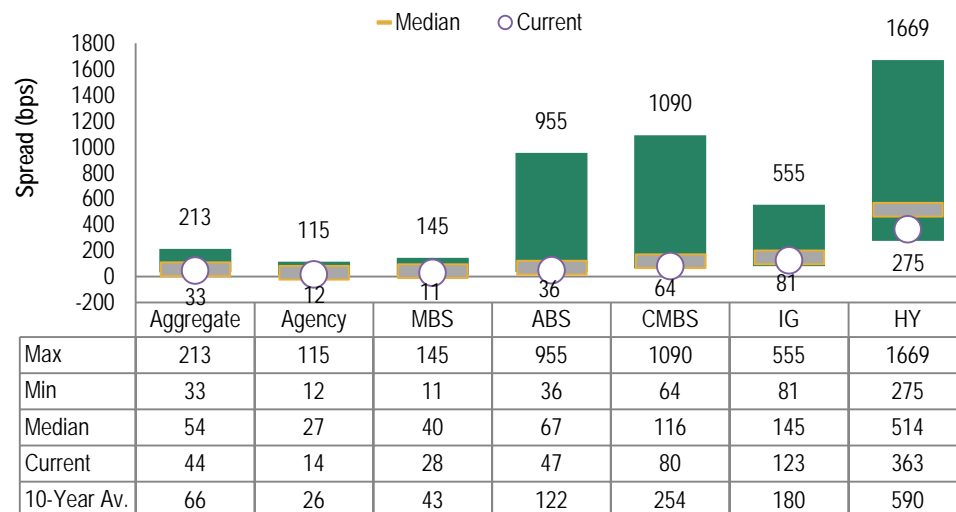
\*\* Formerly Citigroup. Citigroup's fixed income indices were purchased by London Stock Exchange Group (LSEG) and will all be rebranded to FTSE by July 31, 2018. FTSE Russell is a unit of LSEG's Information Services Division and a wholly owned subsidiary of LSEG.

All data in the table are percentages.

### Performance and Spreads

- The U.S. Aggregate Index's negative performance was driven by the Investment Grade Corporate sector, where spreads rose 14 basis points, and sector returns were -0.98% in Q2.
- High yield spreads tightened 8 bps by quarter end and the sector generated strong relative performance.
- Domestic spreads seem low by historical measures, but absent are some of the themes signaling the end of a credit cycle (e.g., aggressive central bank rate hikes, economic deterioration, and rapidly rising debt levels).

### Fixed Income Spreads



## Q2 2018 In Review: International Fixed Income

Global Fixed Income Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Global Aggregate	-2.78	-1.45	1.36	2.58	1.50	2.58
Bloomberg Barclays Global Aggregate (Hgd)	0.19	0.07	1.66	2.82	3.31	4.16
FTSE Non-U.S. WGBI*	-5.11	-0.92	3.22	3.74	1.01	1.77
FTSE Non-U.S. WGBI (Hgd)	0.23	1.73	3.57	3.85	4.30	4.41
JPM EMBI Global Diversified**	-3.54	-5.23	-1.60	4.63	5.15	6.75
JPM GBI-EM Global Diversified***	-10.42	-6.44	-2.33	1.96	-1.40	2.58

All data in the table are percentages.

\* Formerly Citigroup. The FTSE Non-U.S. World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment grade sovereign bonds excluding the U.S.

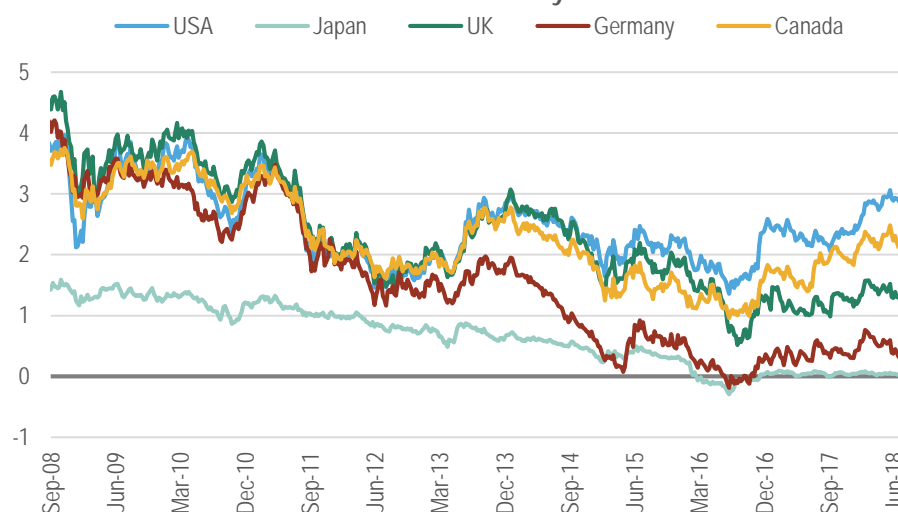
\*\* The JP Morgan Emerging Market Bond Index (EMBI) Global Diversified index measures government bonds in hard currencies.

\*\*\* The JP Morgan Government Bond Index – Emerging Markets (GBI-EM) Global Diversified index measures government bonds in local currencies.

### Global Performance and Yields

- Currency depreciation negatively impacted both developed and emerging market economies in Q2.
- In developed markets, the euro, British pound, and Japanese yen all depreciated relative to the U.S. dollar. In emerging markets, Latin America declined the most, with meaningful currency depreciation in countries like Brazil, Mexico and Argentina.
- Overall, sovereign yields rose but retreated by quarter end as trade tensions escalated and global risk appetite diminished.
- Just one day after the June Federal Open Market Committee policy rate hike announcement, the European Central Bank made clear its intention to begin tapering its quantitative easing program by the end of the year.

Global 10-Year Treasury Yields



## Q2 2018 In Review: Absolute Return Strategies

HFRI Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Fund of Funds Composite	0.39%	0.66%	5.11%	1.92%	3.45%	1.40%
Fund Weighted Composite	0.87%	0.82%	5.71%	3.65%	4.44%	3.45%
Event Driven	1.90%	2.01%	5.53%	4.55%	4.75%	4.64%
Equity Hedge	0.88%	1.19%	8.26%	4.86%	5.84%	3.70%
Macro	-0.12%	-1.72%	1.21%	0.19%	1.24%	1.13%
Emerging Markets	-4.70%	-3.74%	4.96%	4.32%	4.26%	2.02%
Relative Value	1.15%	1.56%	3.97%	3.76%	4.39%	5.12%

All data in the table are percentages.

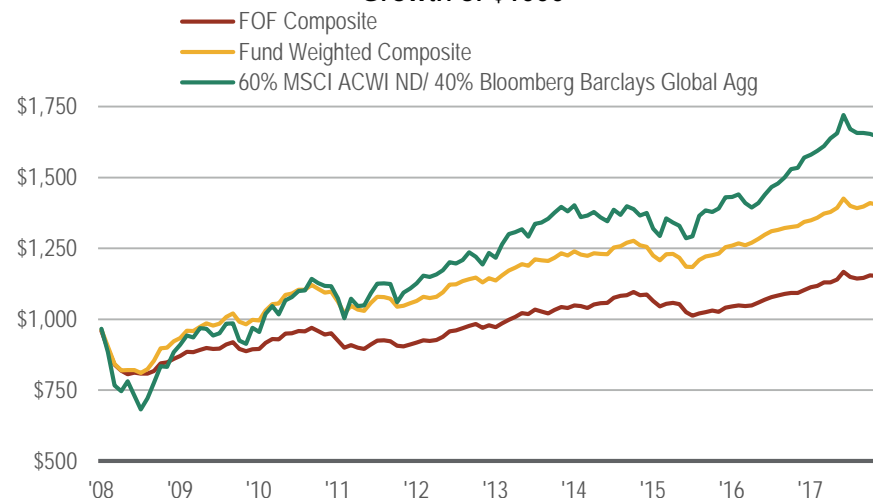
### Hedge Fund Performance

- Event Driven led all major hedge fund strategies during Q2. A solid gain in Q2 brought its total year to date return to 2.0%. Distressed was the leading sub-index strategy for the quarter.
- Equity Hedge posted a positive return in Q2, benefitting from strong sub-strategy performance in Healthcare and Technology, which have gained 10.3% and 7.9%, respectively, thus far in 2018.
- Emerging markets' performance in Q2 was negative. Notable losses in geographies such as Brazil, Russia and India came as a result of a strong USD and developing trade concerns.
- The Fund Weighted and Fund of Funds Composite indices gained during Q2, outperforming the 60/40 Balanced MSCI ACWI\*/Bloomberg Barclays Global Aggregate index, which lost -0.7% during the quarter.

\*Net of dividends

Sources this page: FactSet, eVestment

### HFR Hedge Fund and Fund of Fund Weighted Composite Growth of \$1000

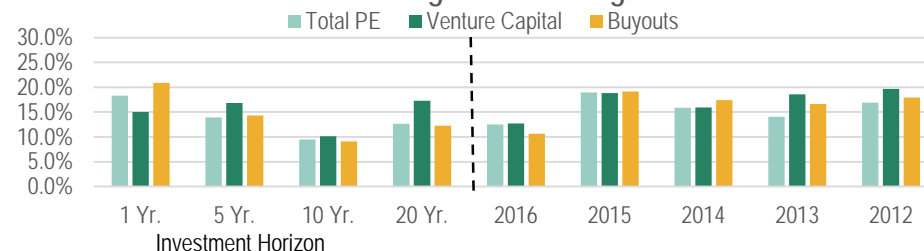


# Q2 2018 In Review: Private Equity

## Performance

- The total return for private equity funds at the end of Q1 2018\*, comprising performance across all regions and strategies, was 3.0% QTD and 18.3% over the 1-year period.
- Private equity's 5- and 20-year returns remained strong, with double-digit returns of 14.0% and 12.5%, respectively. The 10-year return lagged due to weaker performance resulting from the time of the Global Financial Crisis, but still gained 9.5%.
- The 2016 vintage year funds quickly came out of the J-curve in Q2 2017 and generated a 12.5% return by Q1 2018.

## Private Equity Performance by Investment Horizon and Vintage Year: All Regions

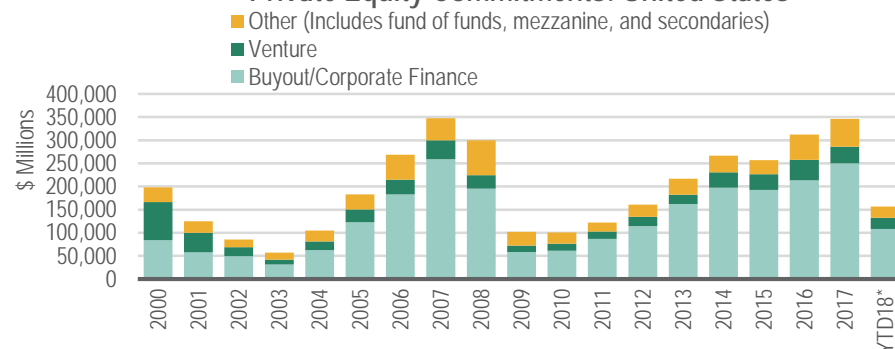


\*"Vintage year" refers to the first year that capital was committed in a particular fund. Vintage-year performance is calculated as the median percentile returns of all funds reporting as pooled IRRs.

## Fundraising

- U.S. private equity funds raised approximately \$156.8 billion across 571 funds year-to-date through June 15, 2018\*.
- In the U.S., fundraising activity has not slowed down year-to-date, but globally, capital raised in Q2 2018 was the lowest amount registered on a quarterly basis since 2012.
- Dry powder\*\* increased 20.4% globally in 2017 and reached a record-high of \$1 trillion due to strong fundraising and high pricing. Notably, dry powder surged 58.9% in the emerging markets.

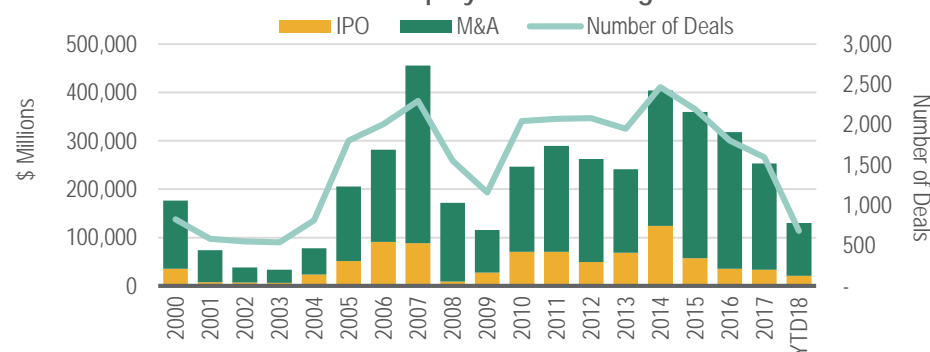
## Private Equity Commitments: United States



## Exit Activity

- Exit activity continued to decelerate, falling from 838 exits in the first half (1H) of 2017 to 684 exits in 1H 2018. Aggregate deal value also declined and hit its lowest level since 2013.
- Q1 and Q2 2018 saw a similar number of venture capital-backed exits, but aggregate exit value was 255.4% higher in Q2, largely driven by the top ten deals.
- As the largest IPO of Q2, Spotify went public on the NYSE in a direct listing. The IPO has been a success largely due to Spotify's already well-known brand name.

## Private Equity Exits: All Regions



\*The most recent data available. \*\*Dry powder is capital raised that hasn't yet been invested.

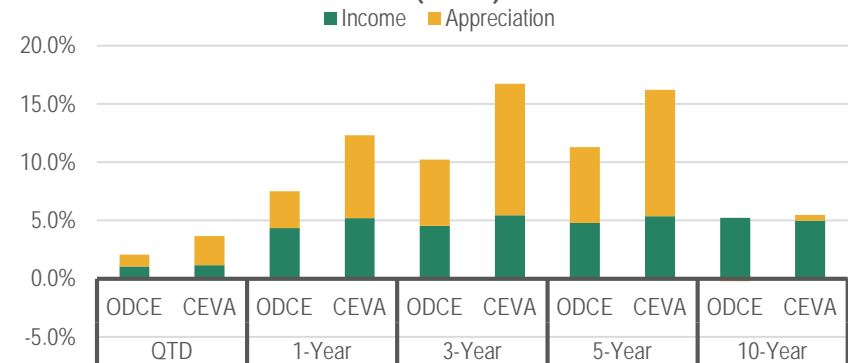
Sources this page: Thomson Reuters, *Private Equity Analyst*, Preqin

# Q2 2018 In Review: Real Estate

## Real Estate Performance

- Comparing the most recent performance of core real estate, as measured by the NFI-ODCE index (Q2 2018), and value add real estate, as measured by the CEVA index (Q1 2018), the CEVA outperformed the ODCE by 160 bps. Most of the CEVA's outperformance came from the appreciation component of the return.
- Appreciation for the ODCE relative to the CEVA continued to tighten. Furthermore, relative to the appreciation spread's recent peak (5-yr. trailing -5.62%), the ODCE appreciation's contribution to return relative to CEVA has narrowed by 4.12%
- The CEVA Index continued to outperform the ODCE over the QTD, 1, 3, 5, and 10-year rolling periods, on a gross basis. However, over the same trailing periods, the CEVA has a much wider gross/net return spread relative to the ODCE.
- On an equal-weighted basis for Q2 2018, the CEVA gross/net returns are 2.04%/1.54% relative to the ODCE's 2.13%/1.89%.

NCREIF Fund Index (NFI) Open-End Diversified Core (ODCE) and Closed End Value-Add (CEVA) Real Estate Performance



The NFI-ODCE (Open-end Diversified Core Equity) is defined by NCREIF as a fund-level cap-weighted, gross of fee, time-weighted return index with an inception date of December 31, 1977.

The NFI-CEVA Index, which is a quarter lagged in performance reporting, is defined by NCREIF as a capitalization-weighted, gross of fees, time-weighted return index. Funds included in the index must be closed-end with a value-add strategy operated for U.S. institutional investors and must comply with NCREIF's data collection and reporting standards.

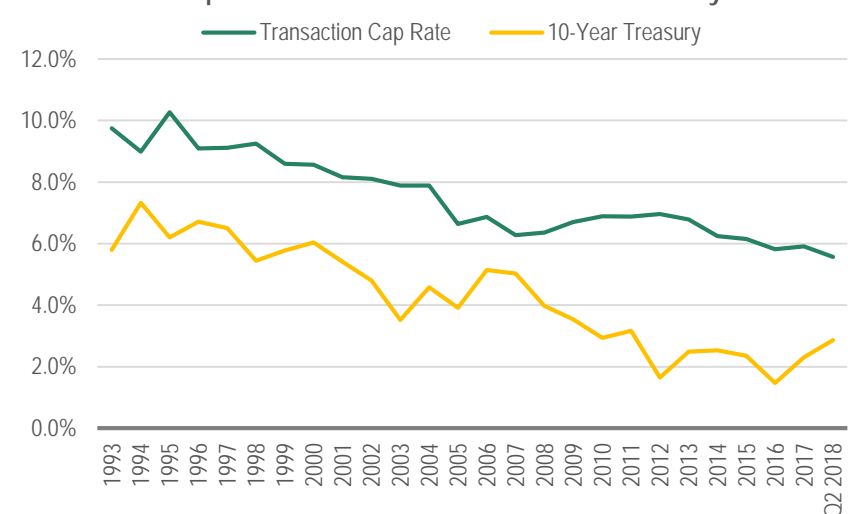
## Real Estate Capitalization Rates vs. Treasuries

- For the most part, the prevailing low capitalization ("cap") rates\* result from historically wide cap rate spreads relative to financing, and this has been further augmented by the continued strong demand for real estate assets.
- Cap rates remain at historic lows despite continued rising interest rates. Further increases to rates may put upward pressure on cap rates; however, this impact might be mitigated by higher inflationary expectations in the near term.
- Developed EU markets saw continued cap rate compression that may support stronger valuations looking forward.
- In Hong Kong, Japan, and Australia, cap rates continued to tighten. Only Hong Kong experienced an uptick in pricing due to the compression as well as cash flow improvement.

\*A cap rate is the potential rate of return on a real estate investment. Assuming no change in net operating income, real estate valuations rise when cap rates fall. Comparing cap rates to the 10-year U.S. Treasury provides investors with an estimated spread for expected returns from real estate (higher risk) vs. fixed rate bond (lower risk) investments.

Sources this page: NCREIF, Bloomberg

Capitalization Rates & 10-Year U.S. Treasury

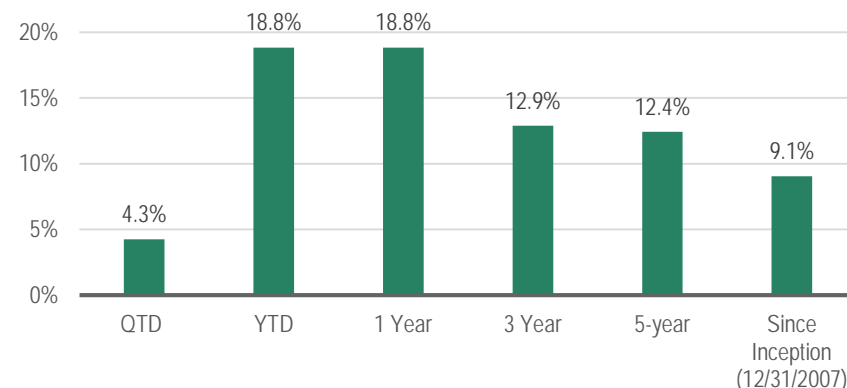


# Q2 2018 In Review: Infrastructure

## Infrastructure Performance

- Private infrastructure gained 4.3% in Q4 2017\*. The Q3 2017 return was revised upward from 2.7% to 9.8%, which contributed to strong annual performance for unlisted infrastructure in 2017.
- The 1-, 3-, and 5-year results exceeded the since-inception return, indicating the asset class has recovered nicely from the global financial crisis. An improving energy landscape led to outsized returns towards the end of 2017.
- With regard to public infrastructure, the FTSE Global Infrastructure 50/50 Index rose 2.97% in Q2 2018. All four global listed infrastructure sectors (utilities, transportation, energy and communications) posted gains following Q1 losses. Asia/Pacific and North American infrastructure stocks performed well, while Continental Europe lagged.

Preqin Infrastructure Annualized Return as of 12/31/2017\*

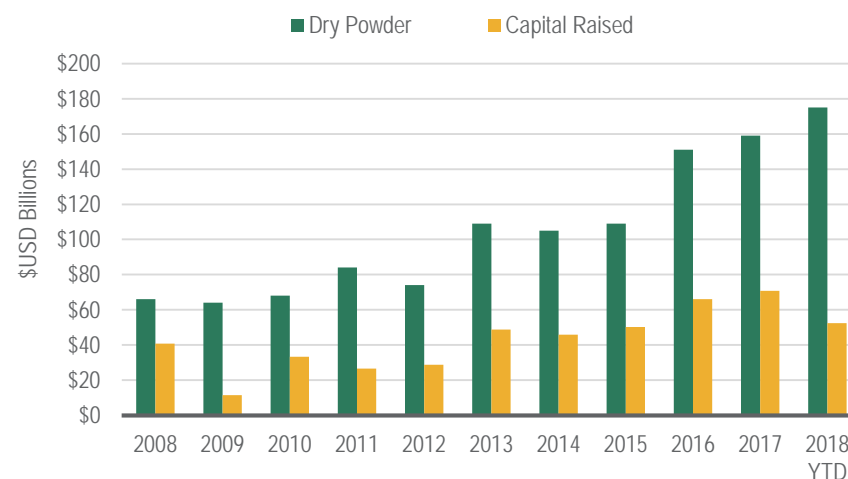


According to Preqin, the Preqin Infrastructure Index captures the average returns earned by investors in their infrastructure portfolios, based on the actual amount of money invested. The Preqin Infrastructure index is calculated on a quarterly basis using data from Preqin's Infrastructure Online services.

## Dry Powder and Fundraising

- Infrastructure fundraising in Q2 2018 exceeded that of the last two quarters in terms of the number of funds (17) and aggregate capital raised (\$23.9 billion). In both Q4 2017 and Q1 2018, \$13.1 billion was raised by infrastructure strategies across 15 and 10 funds, respectively.
- Dry powder\*\* increased in Q2 amid strong fundraising and more funds coming to market. There are some large deals lined up for the second half of 2018 that could tap into the high amount of dry powder; however, there is a concern that the cost basis for acquisitions will be elevated by managers needing to deploy capital.

Dry Powder and Fundraising



\*The most recent data available. \*\*Dry powder is capital raised that hasn't yet been invested.  
Sources this page: Preqin

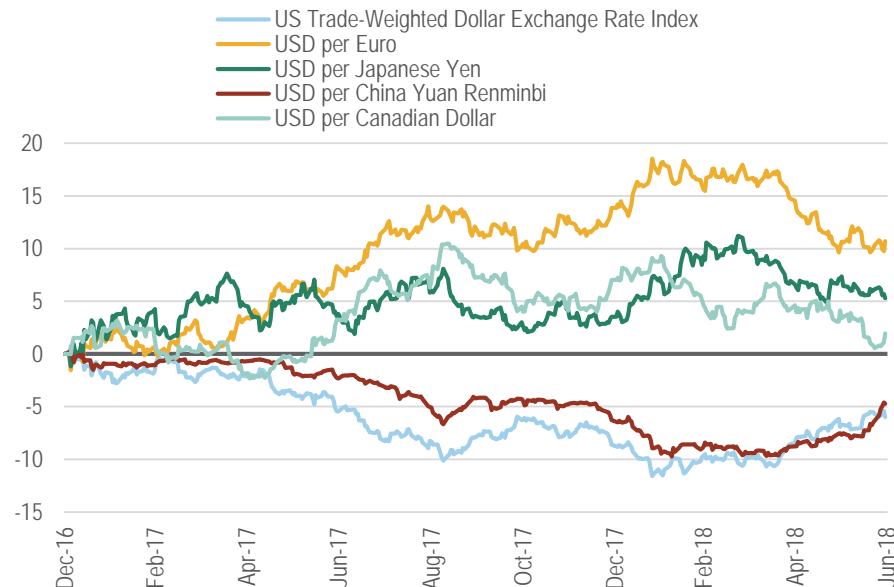
## Q2 2018 In Review: Commodities and Currencies

BCOM Indices	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Bloomberg Commodity Index (BCOM)	0.40%	0.00%	7.35%	-4.54%	-6.40%	-9.04%
Energy	10.73%	12.68%	34.76%	-9.04%	-12.98%	-20.04%
Agriculture	-8.66%	-5.79%	-13.29%	-9.90%	-9.49%	-7.12%
Industrial Metals	0.98%	-5.31%	15.19%	6.21%	0.91%	-4.65%
Precious Metals	-4.45%	-4.95%	-0.78%	1.18%	-1.29%	1.51%
Livestock	5.47%	-5.11%	-9.37%	-4.53%	-2.75%	-5.51%

### Commodity and Currency Highlights

- The Bloomberg Commodity Index Total Return increased 0.4% during Q2 2018 with mixed performance across the underlying sectors.
- The Energy sector was the top performer. The prices of crude oil and petroleum products increased, as the global supply and demand balance of crude tightened from production declines in Venezuela, Libya and Nigeria.
- The Agriculture sector fell as a result of proposed trade tariffs between the U.S. and China. With China being a key export market for U.S. soybeans, demand decreased for this product.
- The USD strengthened in Q2 with solid U.S. economic expectations and another Fed rate hike.
- The euro weakened against the USD amid some lackluster Eurozone economic data and the European Central Bank saying it would put off rate hikes until at least 2019.

### Major World Currencies Indexed to Zero

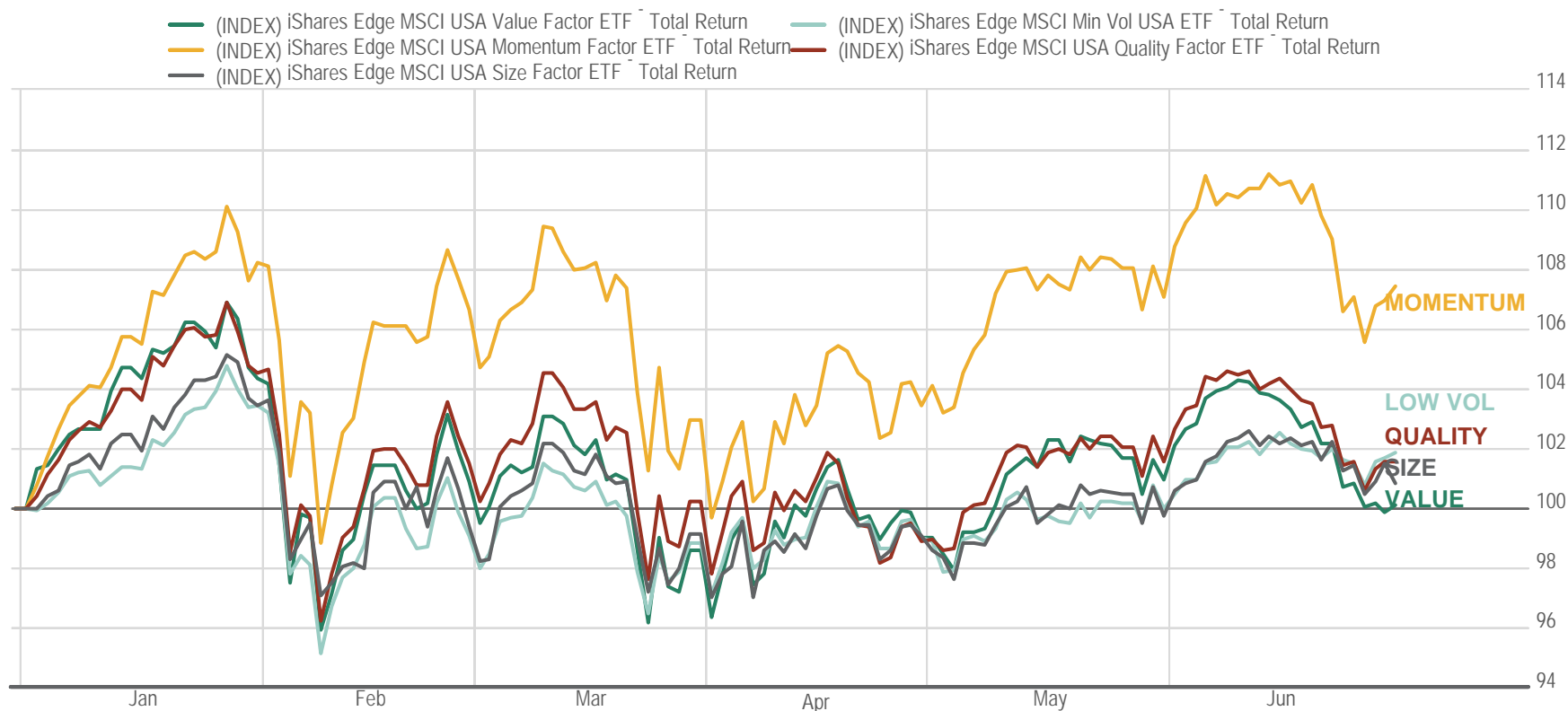


# Q2 2018 In Review: Noteworthy Developments

## Value Continues to Lag Other Market Factors in 2018

- Momentum has handily outperformed other factors YTD through June 30.
- In times of economic expansion, momentum has historically outperformed.
- Value has lagged this year as growth stocks like the “FAANGs” have dominated large-cap returns.
- Other factors such as quality and low volatility have also lagged momentum, particularly in Q2.

Factor Performance YTD through June 2018

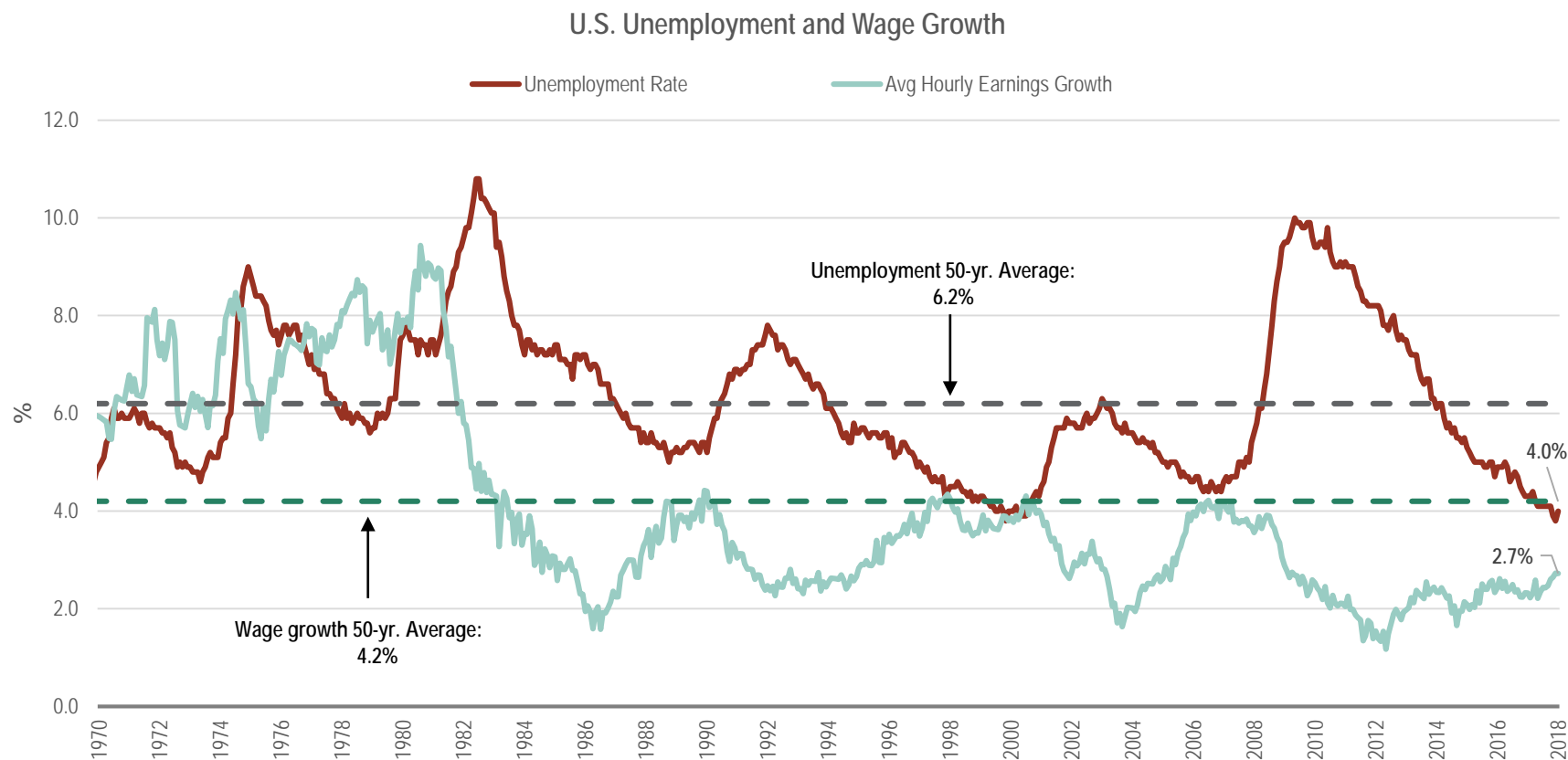


\*The FAANG stocks are Facebook, Amazon, Apple, Netflix and Google.  
Source this page: FactSet

# Q2 2018 In Review: Noteworthy Developments

## Wage Growth Remains Subdued Despite Falling Unemployment

- Unemployment has fallen to historically low levels so far in 2018—it was as low as 3.9% before moving back up to 4.0% at end of Q2.
- Though unemployment has fallen, wage growth continues to lag expectations.
- Anemic productivity levels, lack of business competition and automation are possible reasons for wage growth's sluggishness.

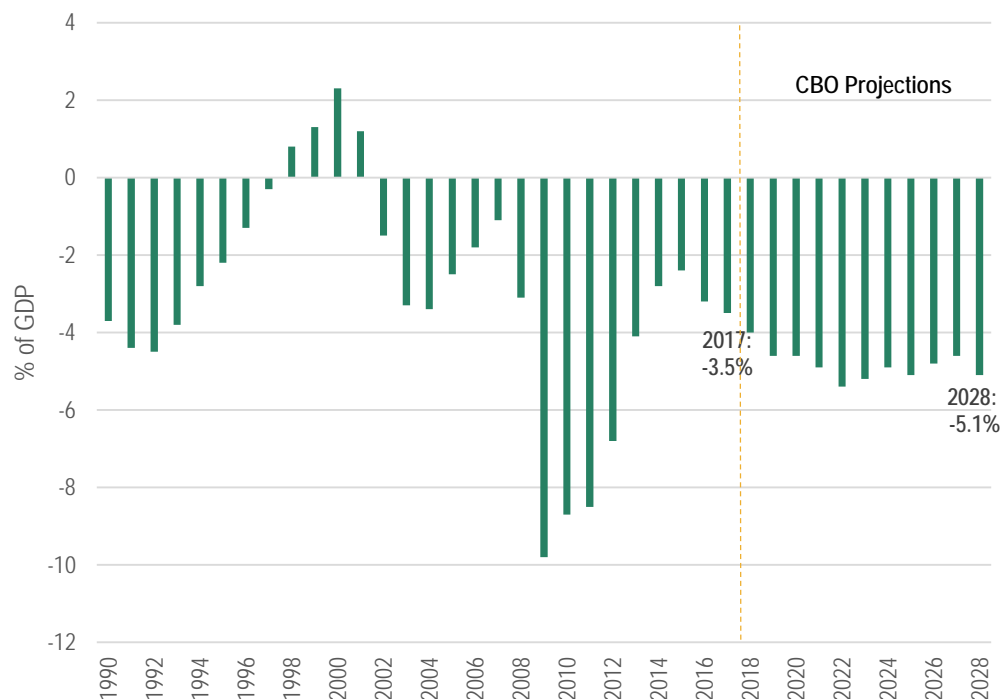


# Q2 2018 In Review: Noteworthy Developments

## Federal Budget Forecasts

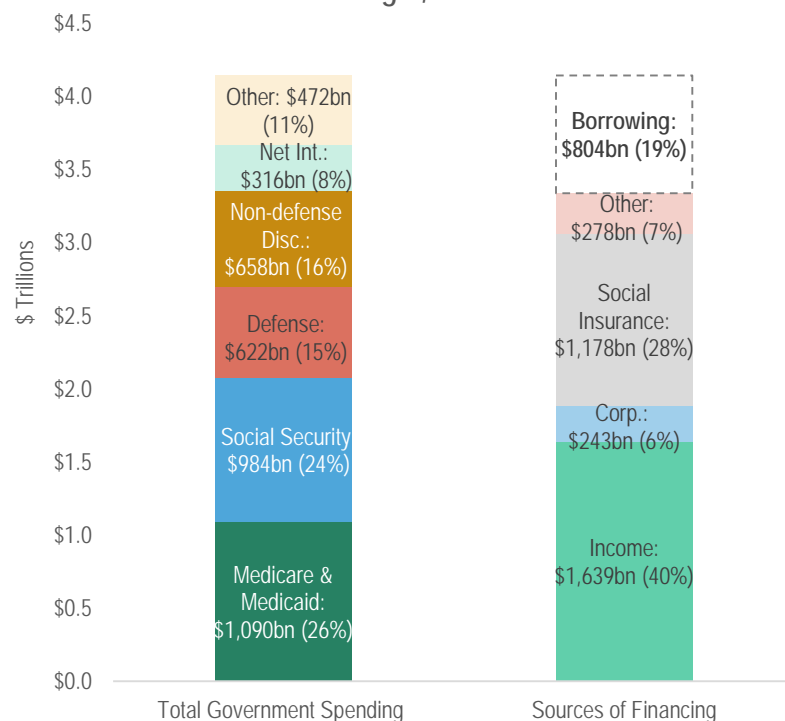
- The 2018 federal deficit is projected to be \$804 billion, up 21% from last year's deficit figure of \$665 billion.
- The Congressional Budget Office (CBO) projects that the deficit will top \$1 trillion by 2020 and stay above \$1 trillion for its 10-year forecasting window. The change reflects the rising costs of Social Security and Medicare as the Baby Boom ages, as well as the loss of revenue from the recent tax cuts.
- The CBO expects economic growth to be relatively strong in 2018 and 2019 as a result of the recent policy changes. However, the CBO also expects that the effect of the tax cuts will moderate after that. Should real GDP increase beyond the CBO's current forecast, it could reduce the estimated deficits shown below. There is a large degree of uncertainty surrounding many economic factors the CBO considered to determine these projections, and we will likely see additional revisions as time progresses.

Federal Budget Surplus/Deficit



Source this page: Congressional Budget Office (CBO)

The 2018 Federal Budget, CBO Baseline Forecast

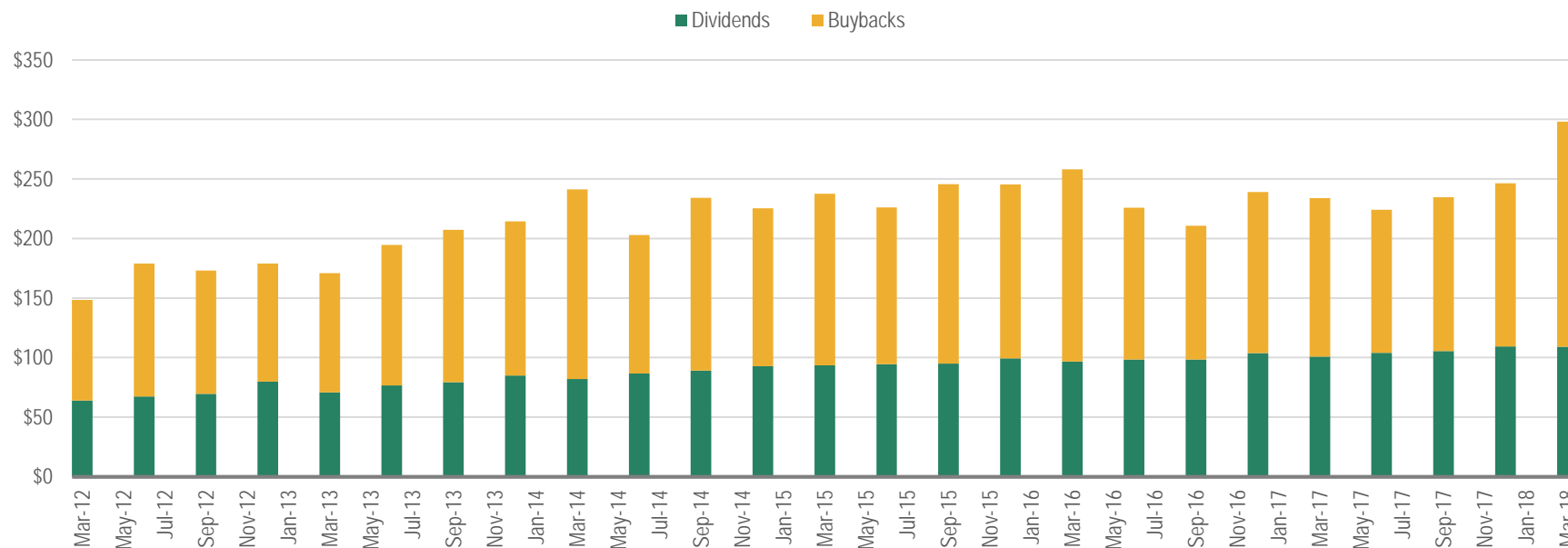


## Q2 2018 In Review: Noteworthy Developments

### S&P 500 Buybacks

- The chart below shows the amount of capital returned to investors by S&P 500 companies in the form of dividends and share buyback programs. The total amount of cash returned to investors in Q1 2018 amounted to \$300 billion (\$190 billion in buybacks and \$110 billion in dividends). This was an all-time high.
- Estimates for cash returned to investors in Q2 2018 forecast total dividends of \$112 billion, with share buybacks greater than \$200 billion, setting another new high. Share buybacks over the 2018 calendar year are estimated to be greater than \$1 trillion dollars.
- Since the global financial crisis, S&P 500 companies have significantly improved the liquidity of their assets, increasing the proportion of total assets in cash and cash equivalents from around 20% to around 30%. The recent volatility in equity markets has afforded these companies the opportunity to repurchase stock.
- The S&P 500 index has returned 2.8% YTD in 2018 (through June 30). Much of this year's return can be attributed to the support provided by these share repurchase programs, which are expected to continue into the near future.

S&P 500 Dividends and Buybacks

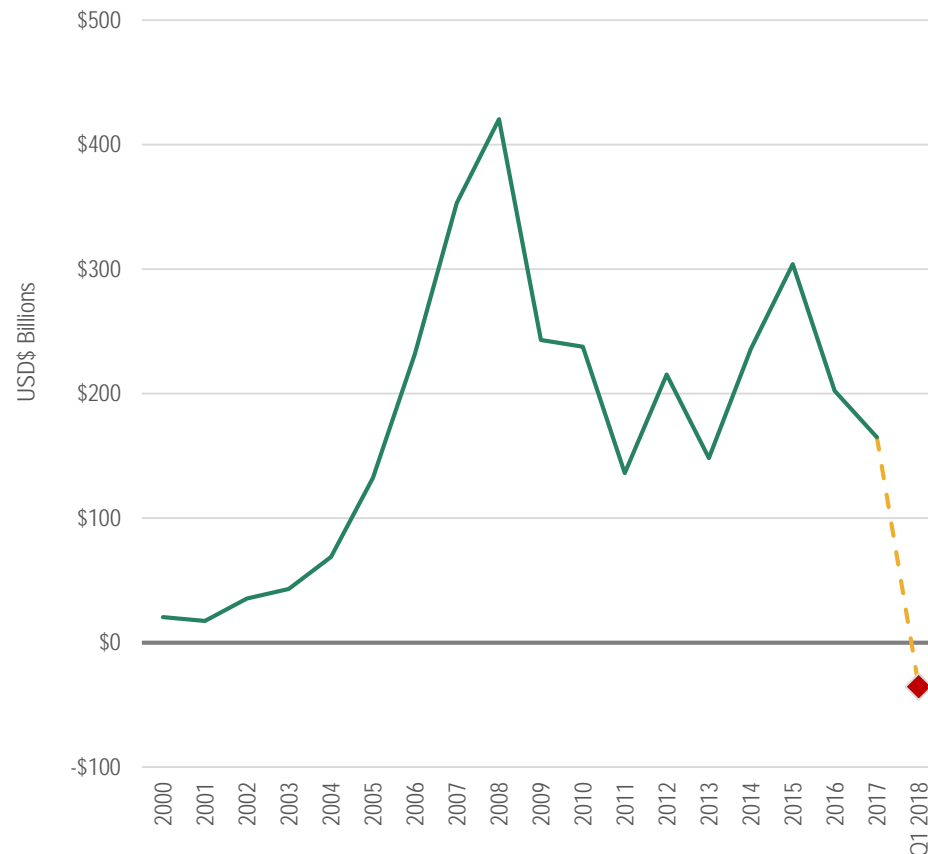


## Q2 2018 In Review: Noteworthy Developments

### China's Current Account Balance

- China is seeing changes to its current account balance as its trade surplus declines.
- The graph shows a history of China's current account balance, which has been mostly positive since 2000. China's current account surplus comes largely from saving more than it invests, and from exporting more than it imports.
- In 2008, China's current account surplus was abnormally high, due to a large volume of exports and a high savings rate of 50% of GDP. But since then, net trade balance or investment has declined. Implied, therefore, is that savings have declined even more, pointing to increased consumption. This makes sense as China moves to an internally driven and more balanced economy, with the growth of its middle class and increased spending.
- China's current account was negative in Q1 2018. While this figure will likely rebound in the next several months, forecasts are for a much lower Chinese current account in the next couple years (<1% of GDP). Any trade tariffs between China and the U.S. could be a headwind on top of this.
- These developments could mean a more volatile exchange rate for the yuan, or could make the yuan become a more competitive currency in the global economy if the country finds itself liquidating assets or borrowing more (issuing bonds) to pay for consumption.

China - Current Account Balance  
2000 - Q1 2018

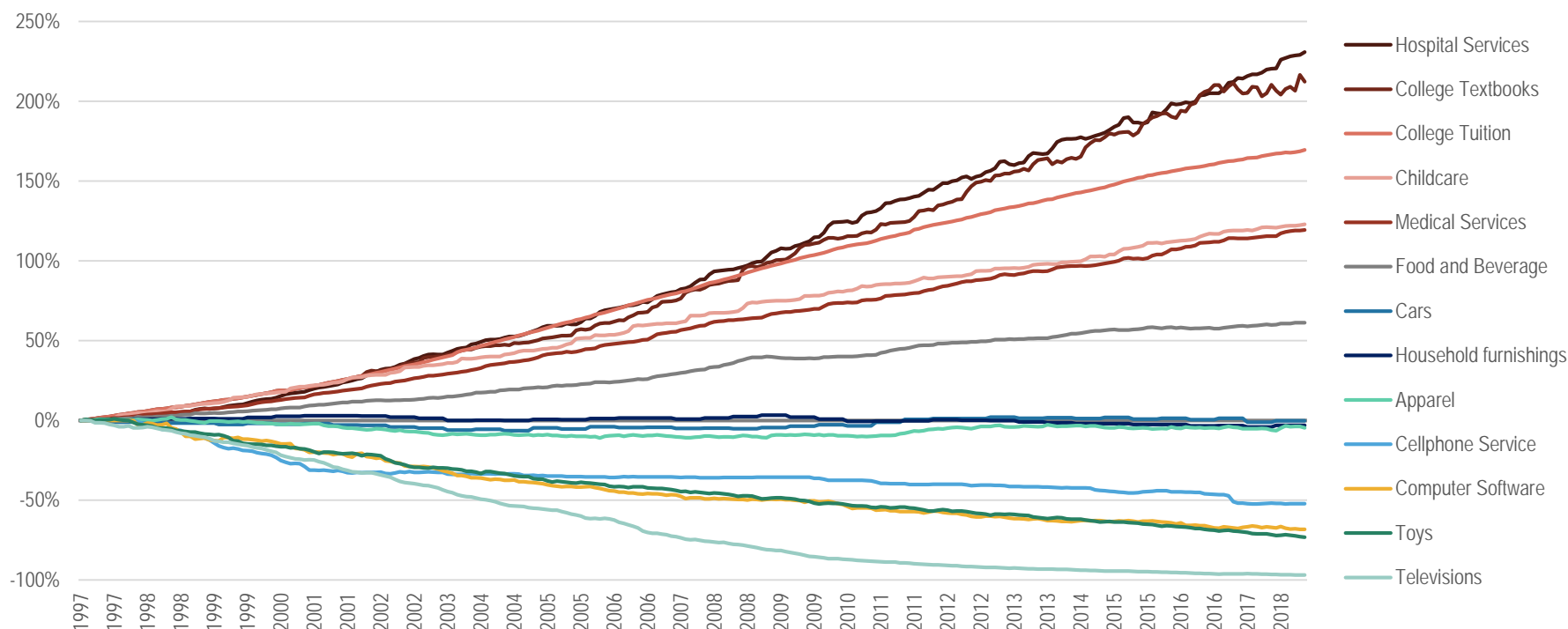


# Q2 2018 In Review: Noteworthy Developments

## Price Changes and Inflation

- The possible impact of a tariff-driven trade war can be evidenced in the price changes since 1997 for various goods and services.
- A common-thread amongst the items shown in the graph over the last 20-years appears to be that goods and services subject to foreign competition or produced elsewhere (e.g., TVs and toys) have seen prices decline, while prices of goods and services that are not subject to overseas competition or cannot be outsourced (e.g., hospital services, college tuition) have seen prices surge.
- Possible by-products of the currently targeted tariffs could be increased inflation and higher prices for many goods (even beyond the one-time increases for selected imports subject to duties).

Price Changes Since 1997



# Annual Asset Class Performance

As of June 30, 2018

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD
Best	31.47	34.54	35.93	39.78	5.24	79.02	29.09	13.56	18.64	43.30	30.38	5.67	31.74	37.75	9.70
	25.95	14.02	32.59	11.81	1.80	58.21	28.47	8.68	18.53	38.82	13.45	2.52	21.31	30.21	7.66
	22.25	12.11	26.86	11.63	-2.35	37.21	26.85	8.46	18.05	34.52	13.24	1.23	17.34	25.62	7.25
	20.70	10.74	23.48	11.63	-10.91	34.47	24.50	7.84	17.90	33.48	13.05	0.92	17.13	22.17	5.44
	18.33	7.05	22.25	7.05	-20.30	32.46	19.20	4.98	17.78	33.11	5.97	0.65	12.05	21.69	2.85
	16.49	6.27	18.37	6.97	-26.16	28.61	16.71	2.64	17.51	32.53	5.60	0.55	11.60	14.65	1.33
	14.31	5.66	15.46	6.28	-28.92	28.43	16.10	1.50	16.42	23.29	5.53	0.03	11.32	13.66	1.19
	11.75	5.26	13.35	5.77	-33.79	28.19	15.51	0.39	16.35	7.90	4.89	-0.39	10.19	9.32	0.79
	11.40	4.71	11.86	4.74	-36.85	27.17	15.12	0.06	15.81	7.44	4.22	-1.38	8.60	7.84	0.16
	11.14	4.55	9.86	1.87	-37.60	24.67	13.16	-2.44	15.26	2.47	3.64	-1.44	7.08	7.50	-0.02
	8.46	4.15	9.07	1.81	-37.98	20.58	12.06	-2.91	14.59	0.06	3.40	-3.83	6.36	5.07	-1.62
	8.20	3.01	8.99	-0.17	-38.44	19.69	8.21	-4.18	8.18	-2.02	2.45	-4.41	4.68	4.09	-1.69
	6.30	2.84	4.76	-1.57	-38.54	11.41	6.54	-5.50	6.98	-2.27	0.02	-4.47	2.65	3.54	-2.37
	4.34	2.74	4.34	-9.78	-43.06	5.93	6.31	-11.73	4.21	-6.58	-1.82	-7.47	1.51	3.01	-5.23
Worst	1.24	2.43	0.49	-16.81	-53.18	0.16	0.10	-18.17	0.09	-8.61	-4.48	-14.60	0.27	0.84	-6.51
	Russell 1000 Index	Russell 1000 Value Index	Russell 1000 Growth Index	Russell 2000 Index	Russell 2000 Value Index	Russell 2000 Growth Index	MSCI EAFE Index	MSCI Emerging Markets Index	MSCI U.S. REIT Index	Barclays Agg.	Blmbg. Barc. U.S. TIPS	Blmbg. Barc. U.S. Corp: High Yield	JPM EMBI Global (USD)	HFRI RV: Multi-Strategy Index	FTSE 3 Month T-Bill



## **Pension Plan**



City of Rockville DB

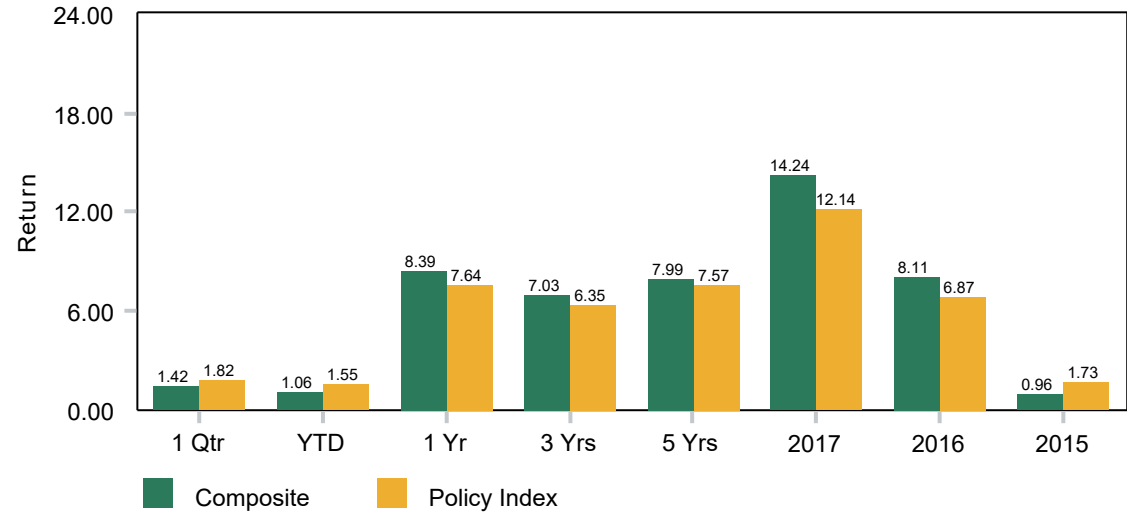
Composite

As of June 30, 2018

### Asset Allocation by Segment

Segments	Market Value (\$)	Allocation (%)
Domestic Equity	30,100,534	29.50
International Equity	19,875,256	19.48
Domestic Fixed Income	19,472,899	19.08
Real Estate	13,931,613	13.65
Global Other	11,218,506	10.99
Alternative Investment	6,586,691	6.45
Cash	857,780	0.84

### Performance Bar Chart



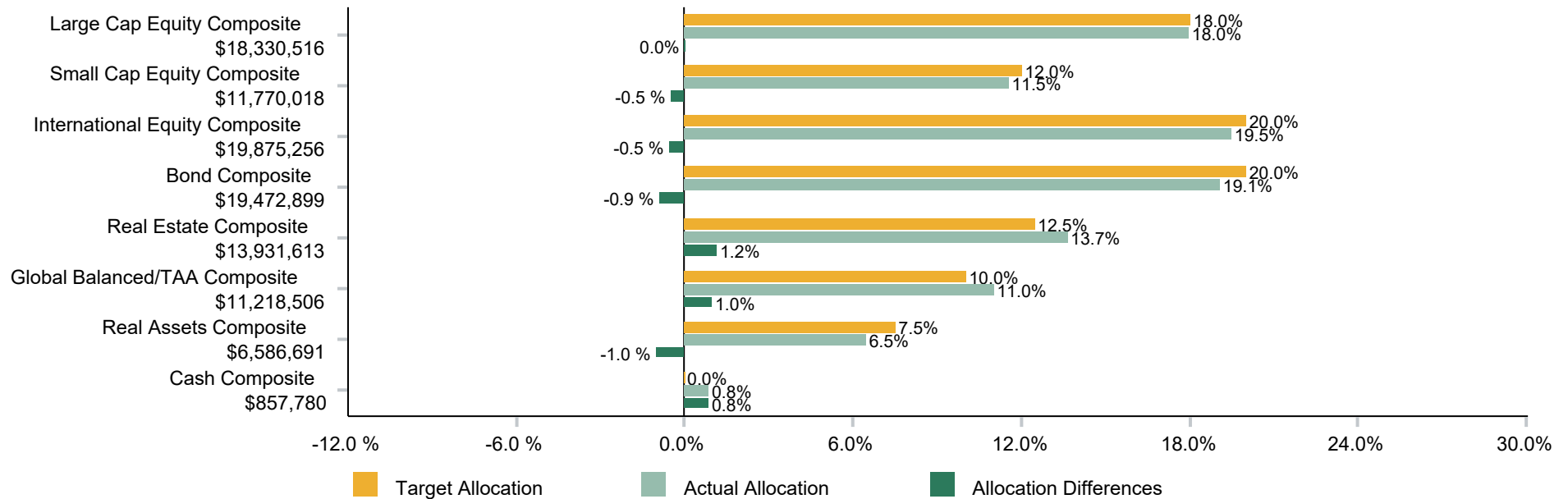
### Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Composite					
Beginning Market Value	97,984,588	99,701,028	95,229,681	86,509,398	72,508,633
Net Cash Flows	2,664,026	1,285,549	-1,059,422	-3,740,378	-4,200,228
Income	-	146,422	443,814	1,581,633	2,614,782
Gain/Loss	1,394,664	910,280	7,429,206	17,692,625	31,120,091
Ending Market Value	102,043,278	102,043,278	102,043,278	102,043,278	102,043,278

City of Rockville DB

Composite

As of June 30, 2018



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Composite	102,043,278	100.00	100.00	0.00	N/A	N/A
Large Cap Equity Composite	18,330,516	17.96	18.00	-0.04	13.00	23.00
Small Cap Equity Composite	11,770,018	11.53	12.00	-0.47	7.00	17.00
International Equity Composite	19,875,256	19.48	20.00	-0.52	15.00	25.00
Bond Composite	19,472,899	19.08	20.00	-0.92	15.00	25.00
Real Estate Composite	13,931,613	13.65	12.50	1.15	7.50	15.00
Global Balanced/TAA Composite	11,218,506	10.99	10.00	0.99	5.00	15.00
Real Assets Composite	6,586,691	6.45	7.50	-1.05	2.50	10.00
Cash Composite	857,780	0.84	0.00	0.84	0.00	5.00

	Total Fund	
	(\$)	%
Composite	102,043,278	100.00
Large Cap Equity Composite	18,330,516	17.96
Principal Large Cap Stock Index	18,330,516	17.96
Small Cap Equity Composite	11,770,018	11.53
State Street Small Cap Equity	11,770,018	11.53
International Equity Composite	19,875,256	19.48
Principal International Stock	19,875,256	19.48
Bond Composite	19,472,899	19.08
Mellon Capital Bond Market Index Fund	10,133,188	9.93
BlackRock Strategic Income Opportunities	9,339,711	9.15
Real Estate Composite	13,931,613	13.65
Prudential Real Estate Investors	13,931,613	13.65
Global Balanced/TAA Composite	11,218,506	10.99
Invesco Balanced-Risk Allocation Trust	11,218,506	10.99
Real Assets Composite	6,586,691	6.45
Principal Diversified Real Asset Fund	6,586,691	6.45
Cash Composite	857,780	0.84
Prudential Short-Term	857,780	0.84

## City of Rockville DB

## Comparative Performance

As of June 30, 2018

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Jul-2017 To Jun-2018	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Composite</b>	<b>102,043</b>	<b>100.00</b>	<b>1.42</b>	<b>8.39</b>	<b>8.39</b>	<b>7.03</b>	<b>7.99</b>	<b>7.33</b>	<b>5.82</b>	<b>5.69</b>	<b>01/01/2002</b>
Policy Index			1.82	7.64	7.64	6.35	7.57	7.21	5.87	5.77	
<b>Large Cap Equity Composite</b>	<b>18,331</b>	<b>17.96</b>	<b>3.41</b>	<b>14.28</b>	<b>14.28</b>	<b>11.81</b>	<b>13.29</b>	<b>13.05</b>	<b>9.96</b>	<b>9.90</b>	<b>01/01/1995</b>
S&P 500			3.43	14.37	14.37	11.93	13.42	13.23	10.17	9.95	
<b>Principal Large Cap Stock Index</b>	<b>18,331</b>	<b>17.96</b>	<b>3.41</b>	<b>14.28</b>	<b>14.28</b>	<b>11.86</b>	<b>13.32</b>	<b>13.08</b>	<b>9.98</b>	<b>9.91</b>	<b>01/01/1995</b>
S&P 500			3.43	14.37	14.37	11.93	13.42	13.23	10.17	9.95	
<b>Small Cap Equity Composite</b>	<b>11,770</b>	<b>11.53</b>	<b>8.69</b>	<b>15.94</b>	<b>15.94</b>	<b>11.69</b>	<b>12.67</b>	<b>11.19</b>	<b>10.11</b>	<b>9.02</b>	<b>04/01/2008</b>
Russell 2000 Index			7.75	17.57	17.57	10.96	12.46	11.83	10.60	10.39	
<b>State Street Small Cap Equity</b>	<b>11,770</b>	<b>11.53</b>	<b>8.69</b>	<b>15.94</b>	<b>15.94</b>	<b>11.69</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>10.83</b>	<b>05/01/2014</b>
Russell 2000 Index			7.75	17.57	17.57	10.96	12.46	11.83	10.60	11.00	
<b>International Equity Composite</b>	<b>19,875</b>	<b>19.48</b>	<b>-2.76</b>	<b>7.38</b>	<b>7.38</b>	<b>5.62</b>	<b>7.11</b>	<b>5.49</b>	<b>2.70</b>	<b>8.48</b>	<b>01/01/1995</b>
MSCI EAFE (Net)			-1.24	6.84	6.84	4.90	6.44	4.89	2.84	5.14	
<b>Principal International Stock</b>	<b>19,875</b>	<b>19.48</b>	<b>-2.76</b>	<b>7.38</b>	<b>7.38</b>	<b>5.62</b>	<b>7.11</b>	<b>5.49</b>	<b>2.70</b>	<b>8.48</b>	<b>01/01/1995</b>
MSCI EAFE (Net)			-1.24	6.84	6.84	4.90	6.44	4.89	2.84	5.14	
<b>Bond Composite</b>	<b>19,473</b>	<b>19.08</b>	<b>-0.10</b>	<b>1.45</b>	<b>1.45</b>	<b>2.18</b>	<b>2.38</b>	<b>2.92</b>	<b>4.40</b>	<b>6.01</b>	<b>01/01/1995</b>
Blmbg. Barc. U.S. Aggregate			-0.16	-0.40	-0.40	1.72	2.27	2.57	3.72	5.48	
<b>Mellon Capital Bond Market Index Fund</b>	<b>10,133</b>	<b>9.93</b>	<b>-0.26</b>	<b>-0.80</b>	<b>-0.80</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1.08</b>	<b>11/01/2015</b>
Blmbg. Barc. U.S. Aggregate			-0.16	-0.40	-0.40	1.72	2.27	2.57	3.72	1.46	
<b>BlackRock Strategic Income Opportunities</b>	<b>9,340</b>	<b>9.15</b>	<b>-0.45</b>	<b>2.60</b>	<b>2.60</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.11</b>	<b>11/01/2015</b>
ICE BofAML LIBOR 3-month Constant Maturity			0.58	1.53	1.53	0.93	0.66	0.58	0.73	1.01	
<b>Real Estate Composite</b>	<b>13,932</b>	<b>13.65</b>	<b>1.81</b>	<b>8.60</b>	<b>8.60</b>	<b>9.68</b>	<b>11.36</b>	<b>11.60</b>	<b>4.79</b>	<b>4.74</b>	<b>04/01/2008</b>
NCREIF ODCE Equal Weighted			2.13	8.60	8.60	9.62	11.14	11.44	5.08	5.02	
<b>Prudential Real Estate Investors</b>	<b>13,932</b>	<b>13.65</b>	<b>1.81</b>	<b>8.60</b>	<b>8.60</b>	<b>9.68</b>	<b>11.36</b>	<b>11.60</b>	<b>4.79</b>	<b>4.74</b>	<b>04/01/2008</b>
NCREIF ODCE Equal Weighted			2.13	8.60	8.60	9.62	11.14	11.44	5.08	5.02	

City of Rockville DB

Comparative Performance

As of June 30, 2018

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Jul-2017 To Jun-2018	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Global Balanced/TAA Composite</b>	<b>11,219</b>	<b>10.99</b>	<b>1.39</b>	<b>8.30</b>	<b>8.30</b>	<b>6.26</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.65</b>	<b>05/01/2014</b>
90 Day U.S. Treasury Bill			0.45	1.36	1.36	0.64	0.40	0.30	0.33	0.47	
Invesco Policy Index			1.09	6.80	6.80	6.24	N/A	N/A	N/A	5.66	
<b>Invesco Balanced-Risk Allocation Trust</b>	<b>11,219</b>	<b>10.99</b>	<b>1.39</b>	<b>8.30</b>	<b>8.30</b>	<b>6.26</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.65</b>	<b>05/01/2014</b>
90 Day U.S. Treasury Bill			0.45	1.36	1.36	0.64	0.40	0.30	0.33	0.47	
Invesco Policy Index			1.09	6.80	6.80	6.24	N/A	N/A	N/A	5.66	
<b>Real Assets Composite</b>	<b>6,587</b>	<b>6.45</b>	<b>-0.09</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.09</b>	<b>04/01/2018</b>
Principal Diversified Real Asset Custom Index			2.62	7.14	7.14	2.77	2.91	3.09	N/A	2.62	
<b>Principal Diversified Real Asset Fund</b>	<b>6,587</b>	<b>6.45</b>	<b>-0.09</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.09</b>	<b>04/01/2018</b>
Principal Diversified Real Asset Custom Index			2.62	7.14	7.14	2.77	2.91	3.09	N/A	2.62	
<b>Cash Composite</b>	<b>858</b>	<b>0.84</b>	<b>0.42</b>	<b>1.17</b>	<b>1.17</b>	<b>0.61</b>	<b>0.39</b>	<b>0.30</b>	<b>N/A</b>	<b>0.28</b>	<b>01/01/2011</b>
90 Day U.S. Treasury Bill			0.45	1.36	1.36	0.64	0.40	0.30	0.33	0.29	
<b>Prudential Short-Term</b>	<b>858</b>	<b>0.84</b>	<b>0.42</b>	<b>1.17</b>	<b>1.17</b>	<b>0.61</b>	<b>0.39</b>	<b>0.30</b>	<b>N/A</b>	<b>0.28</b>	<b>01/01/2011</b>
90 Day U.S. Treasury Bill			0.45	1.36	1.36	0.64	0.40	0.30	0.33	0.29	

As of June 30, 2018

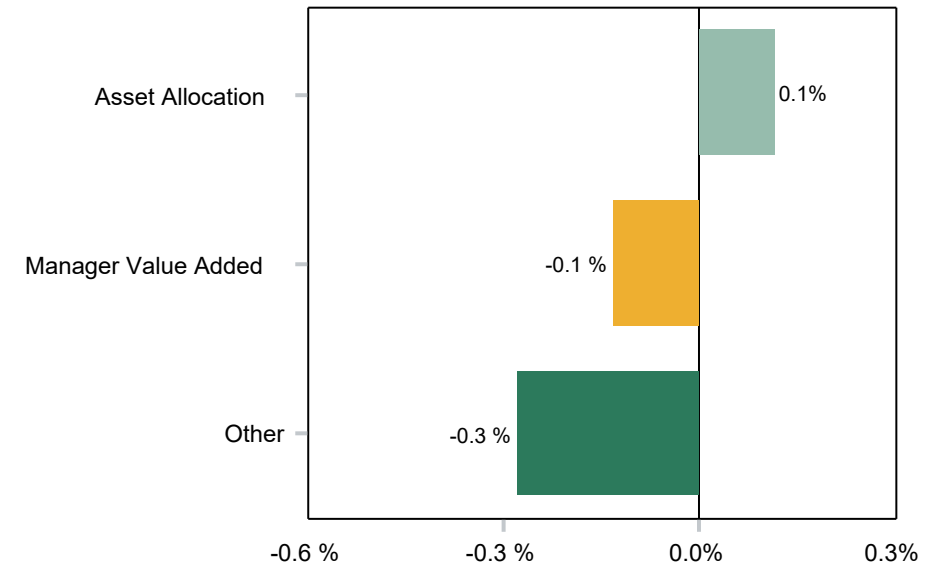
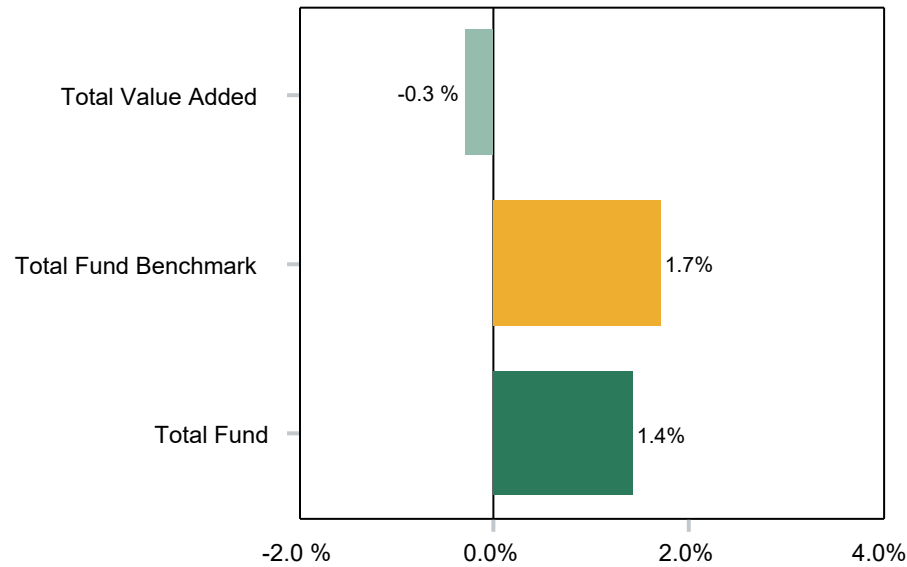
	Performance (%)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Composite</b>	<b>14.24</b>	<b>8.11</b>	<b>0.96</b>	<b>6.07</b>	<b>14.57</b>	<b>13.06</b>	<b>0.21</b>	<b>16.04</b>	<b>16.96</b>	<b>-32.49</b>
Policy Index	12.14	6.87	1.73	5.38	15.69	12.41	1.14	13.93	12.85	-24.92
<b>Large Cap Equity Composite</b>	<b>21.77</b>	<b>11.73</b>	<b>1.32</b>	<b>13.50</b>	<b>32.19</b>	<b>15.67</b>	<b>1.82</b>	<b>14.70</b>	<b>26.33</b>	<b>-37.22</b>
S&P 500	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
Principal Large Cap Stock Index	21.77	11.88	1.32	13.50	32.19	15.66	1.83	14.70	26.33	-37.22
S&P 500	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
<b>Small Cap Equity Composite</b>	<b>13.04</b>	<b>24.22</b>	<b>-3.80</b>	<b>8.82</b>	<b>32.59</b>	<b>18.66</b>	<b>-10.01</b>	<b>25.71</b>	<b>48.39</b>	<b>N/A</b>
Russell 2000 Index	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
State Street Small Cap Equity	13.04	24.22	-3.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 Index	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17	-33.79
<b>International Equity Composite</b>	<b>28.98</b>	<b>0.58</b>	<b>-0.09</b>	<b>-2.92</b>	<b>18.89</b>	<b>18.43</b>	<b>-11.11</b>	<b>14.07</b>	<b>27.74</b>	<b>-45.89</b>
MSCI EAFE (Net)	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
Principal International Stock	28.98	0.58	-0.09	-2.92	18.89	18.43	-11.11	14.07	27.74	-45.89
MSCI EAFE (Net)	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38
<b>Bond Composite</b>	<b>4.09</b>	<b>3.12</b>	<b>-0.48</b>	<b>4.38</b>	<b>-0.82</b>	<b>7.75</b>	<b>7.01</b>	<b>11.88</b>	<b>21.89</b>	<b>-13.06</b>
Blmbg. Barc. U.S. Aggregate	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
Mellon Capital Bond Market Index Fund	3.10	2.32	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. Barc. U.S. Aggregate	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
BlackRock Strategic Income Opportunities	4.83	3.94	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ICE Libor (3 month)	1.14	0.74	0.32	0.23	0.27	0.42	0.34	0.34	0.69	2.92
<b>US TIPS Composite</b>	<b>2.96</b>	<b>3.78</b>	<b>-2.18</b>	<b>3.14</b>	<b>-8.42</b>	<b>6.90</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Blmbg. Barc. U.S. TIPS	3.01	4.68	-1.44	3.64	-8.61	6.98	13.56	6.31	11.41	-2.35
BlackRock Inflation Protected Bond	2.96	3.78	-2.18	3.14	-8.42	6.90	N/A	N/A	N/A	N/A
Blmbg. Barc. U.S. TIPS	3.01	4.68	-1.44	3.64	-8.61	6.98	13.56	6.31	11.41	-2.35

As of June 30, 2018

	Performance (%)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Real Estate Composite</b>	7.46	8.80	15.36	13.34	14.69	9.67	19.08	18.42	-34.24	N/A
NCREIF ODCE Equal Weighted	7.80	9.27	15.17	12.38	13.36	11.03	15.96	16.14	-30.65	-10.37
<b>Prudential Real Estate Investors</b>	7.46	8.80	15.36	13.34	14.69	9.67	19.08	18.42	-34.24	N/A
NCREIF ODCE Equal Weighted	7.80	9.27	15.17	12.38	13.36	11.03	15.96	16.14	-30.65	-10.37
<b>Global Balanced/TAA Composite</b>	10.95	12.62	-3.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90 Day U.S. Treasury Bill	0.86	0.25	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10
Invesco Policy Index	14.90	6.09	0.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Invesco Balanced-Risk Allocation Trust</b>	10.95	12.62	-3.15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
90 Day U.S. Treasury Bill	0.86	0.25	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10
Invesco Policy Index	14.90	6.09	0.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Cash Composite</b>	0.77	0.29	0.10	0.08	0.03	0.06	0.10	N/A	N/A	N/A
90 Day U.S. Treasury Bill	0.86	0.25	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10
<b>Prudential Short-Term</b>	0.77	0.29	0.10	0.08	0.03	0.06	0.10	N/A	N/A	N/A
90 Day U.S. Treasury Bill	0.86	0.25	0.03	0.04	0.05	0.08	0.08	0.13	0.17	2.10

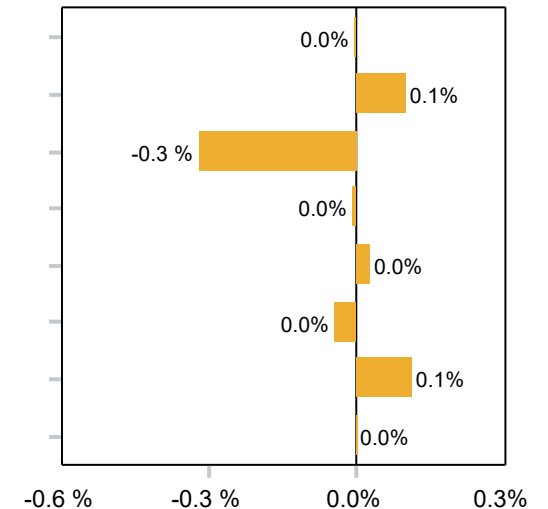
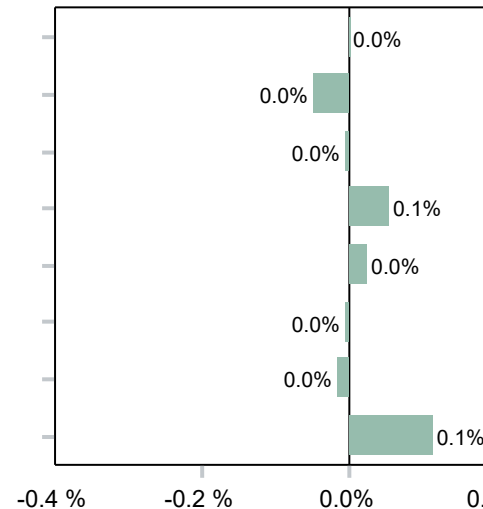
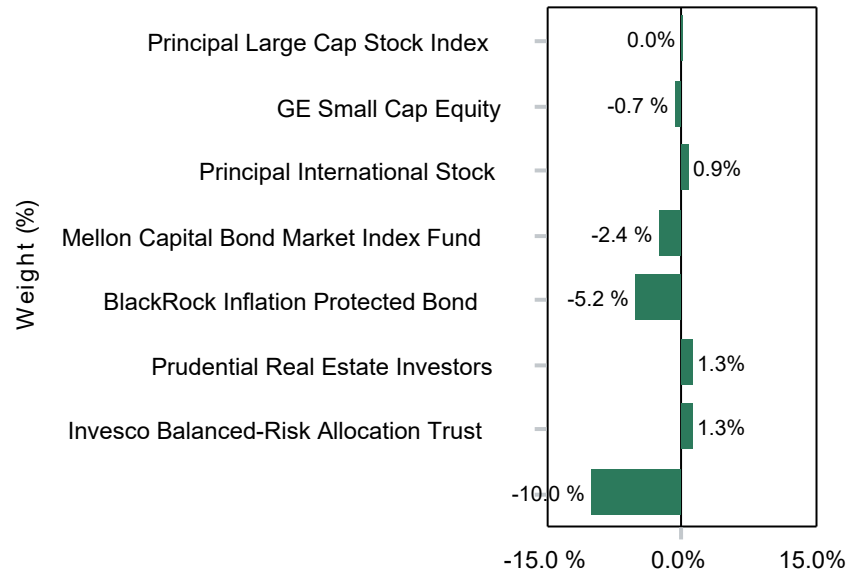
Total Fund Performance

Total Value Added:-0.3 %



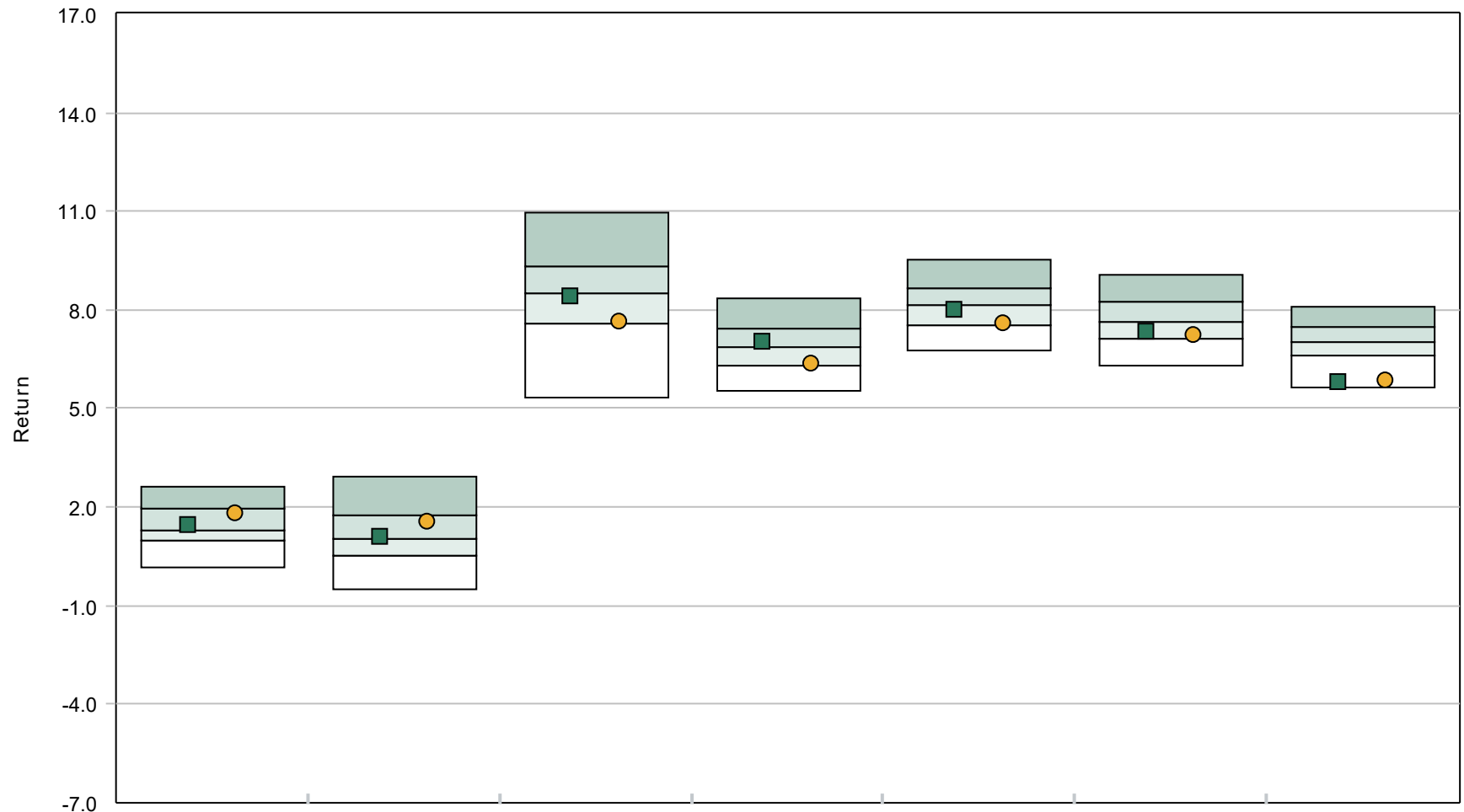
Total Asset Allocation:0.1%

Total Manager Value Added:-0.1 %



Asset Allocation Value Added

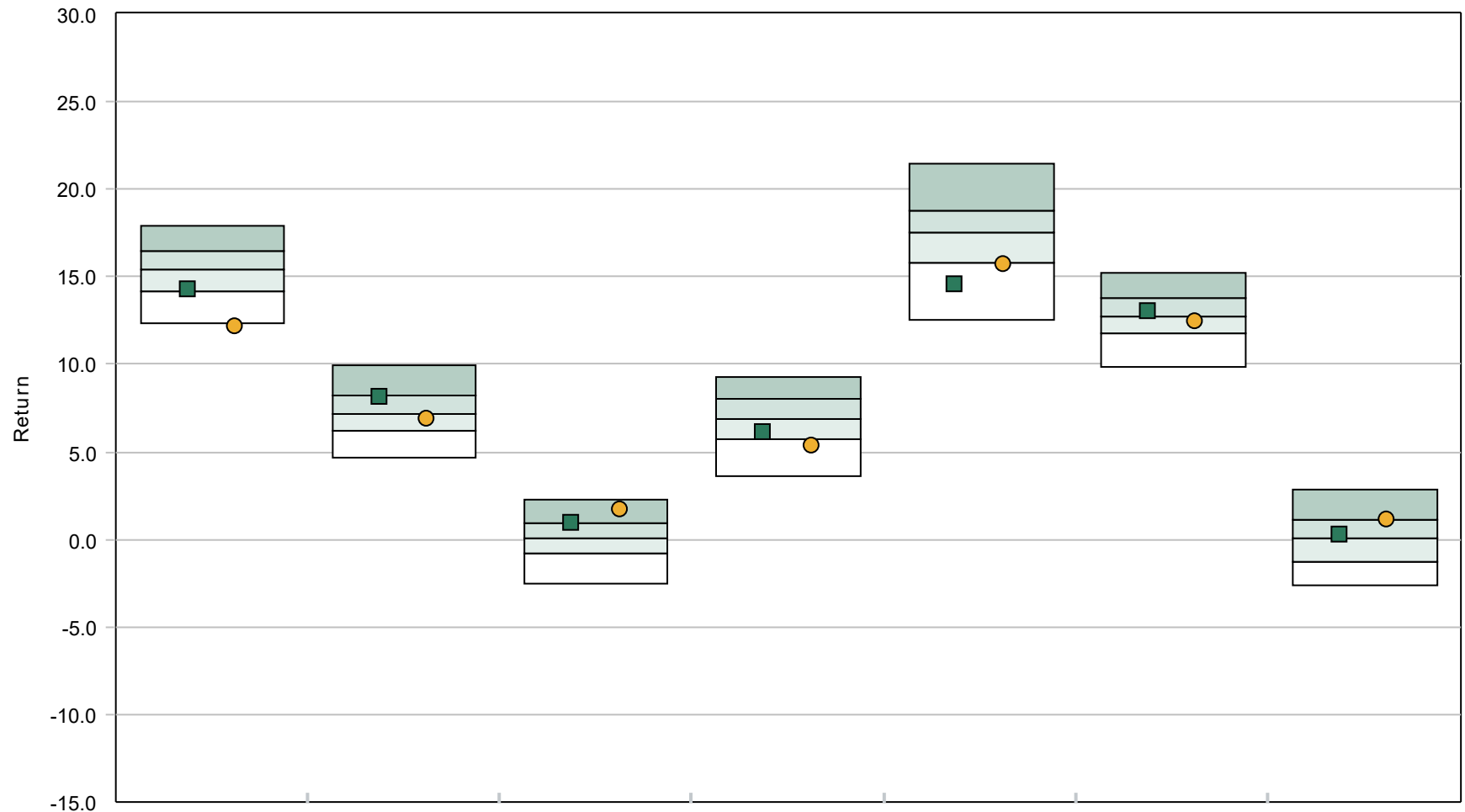
Manager Value Added



■ Composite  
● Policy Index

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Composite	1.42 (45)	1.06 (49)	8.39 (56)	7.03 (40)	7.99 (57)	7.33 (65)	5.82 (94)
Policy Index	1.82 (29)	1.55 (33)	7.64 (75)	6.35 (73)	7.57 (75)	7.21 (71)	5.87 (93)
5th Percentile	2.61	2.94	10.97	8.36	9.53	9.08	8.08
1st Quartile	1.95	1.76	9.35	7.41	8.64	8.24	7.47
Median	1.31	1.02	8.51	6.85	8.13	7.66	7.00
3rd Quartile	0.98	0.51	7.60	6.31	7.55	7.11	6.62
95th Percentile	0.17	-0.51	5.35	5.55	6.78	6.33	5.63

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



■ Composite  
● Policy Index

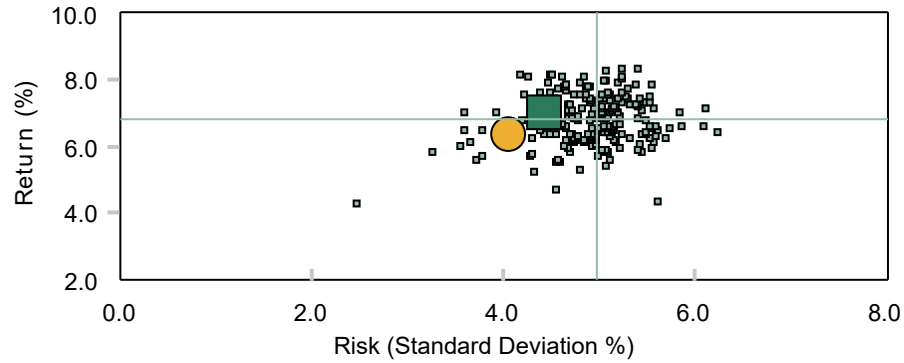
5th Percentile	17.90	9.91	2.25	9.23	21.49	15.25	2.86
1st Quartile	16.47	8.26	0.95	8.03	18.78	13.74	1.16
Median	15.40	7.15	0.06	6.91	17.56	12.75	0.04
3rd Quartile	14.16	6.24	-0.78	5.76	15.83	11.78	-1.23
95th Percentile	12.31	4.70	-2.49	3.65	12.57	9.83	-2.63

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

City of Rockville DB

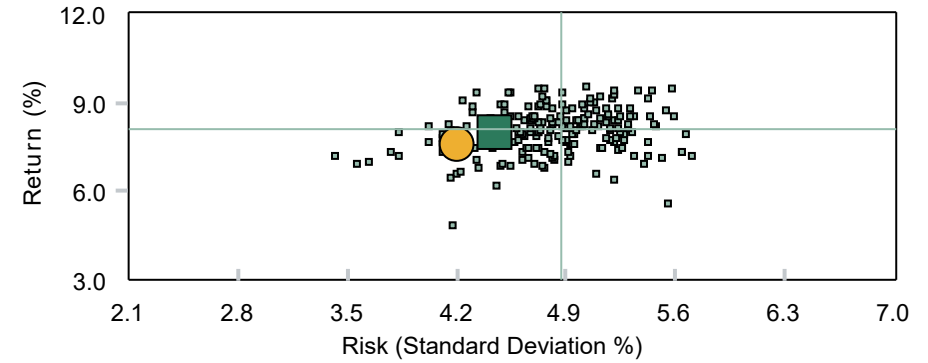
Total Composite  
As of June 30, 2018

### Risk & Return Plan Sponsor — 3 Years



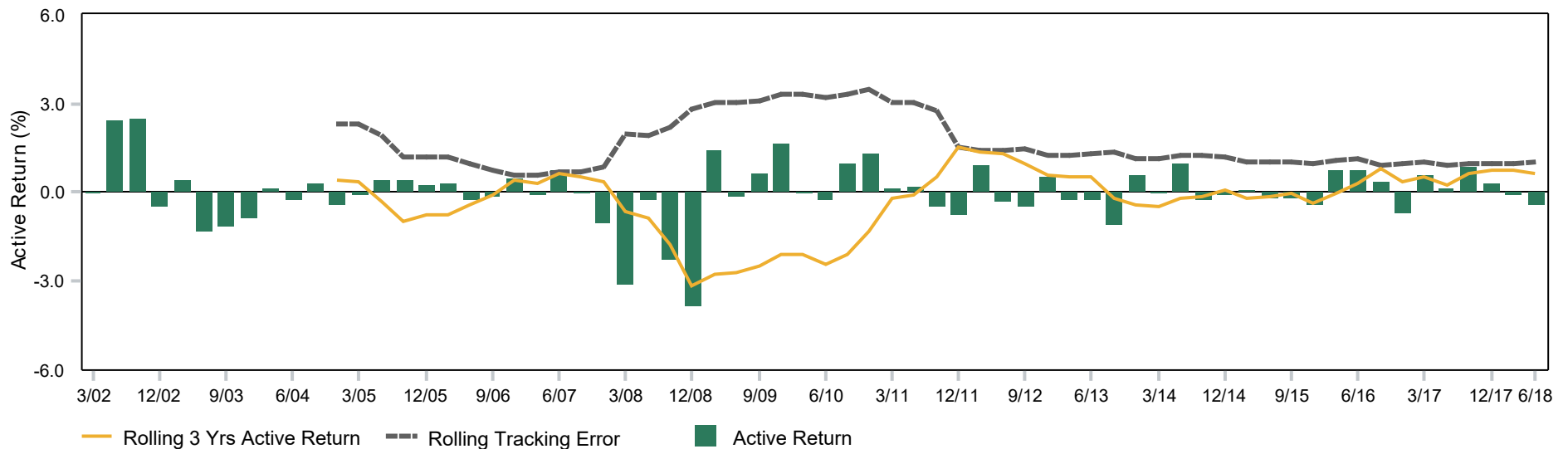
	Return	Standard Deviation
Composite	7.03	4.43
Policy Index	6.35	4.07
Median	6.85	4.99

### Risk & Return Plan Sponsor — 5 Years



	Return	Standard Deviation
Composite	7.99	4.45
Policy Index	7.57	4.20
Median	8.13	4.87

### Rolling Return and Tracking Error



## City of Rockville DB

## Policy Index

As of June 30, 2018

Policy Index	Weight (%)
Jan-1976	
S&P 500	50.00
Blmbg. Barc. U.S. Aggregate	35.00
MSCI EAFE (Net)	15.00
Apr-2008	
S&P 500	25.00
Blmbg. Barc. U.S. Aggregate	25.00
MSCI EAFE (Net)	20.00
Russell 2000 Index	15.00
NCREIF ODCE Equal Weighted	15.00
Jan-2011	
S&P 500	27.50
Russell 2000 Index	17.50
MSCI EAFE (Net)	20.00
Blmbg. Barc. U.S. Aggregate	25.00
NCREIF ODCE Equal Weighted	10.00
Jan-2012	
S&P 500	18.00
Russell 2000 Index	12.00
MSCI EAFE (Net)	25.00
Blmbg. Barc. U.S. Aggregate	22.50
NCREIF ODCE Equal Weighted	12.50
Blmbg. Barc. U.S. TIPS	10.00
May-2014	
S&P 500	18.00
Russell 2000 Index	12.00
MSCI EAFE (Net)	20.00
Blmbg. Barc. U.S. Aggregate	20.00
NCREIF ODCE Equal Weighted	12.50
Blmbg. Barc. U.S. TIPS	7.50
90 Day U.S. Treasury Bill	10.00

Policy Index	Weight (%)
Nov-2015	
S&P 500	18.00
Russell 2000 Index	12.00
MSCI EAFE (Net)	20.00
Blmbg. Barc. U.S. Aggregate	10.00
NCREIF ODCE Equal Weighted	12.50
Blmbg. Barc. U.S. TIPS	7.50
90 Day U.S. Treasury Bill	10.00
ICE BofAML LIBOR 3-month Constant Maturity	10.00
Apr-2018	
S&P 500	18.00
Russell 2000 Index	12.00
MSCI EAFE (Net)	20.00
Blmbg. Barc. U.S. Aggregate	10.00
NCREIF ODCE Equal Weighted	12.50
Principal Diversified Real Asset Strategic Index	7.50
90 Day U.S. Treasury Bill	10.00
ICE BofAML LIBOR 3-month Constant Maturity	10.00

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return
From 06/2002	41,225,900	-	-1,992,067	39,233,833	-2.87
2003	39,233,833	-	6,846,203	46,080,036	17.89
2004	46,080,036	-	4,796,275	50,876,311	9.71
2005	50,876,311	-398,198	3,418,539	53,896,652	6.44
2006	53,896,652	-324,056	7,356,426	60,929,022	13.66
2007	60,929,022	-580,112	4,031,612	64,380,522	6.53
2008	64,380,522	-1,062,417	-20,327,948	42,990,157	-32.49
2009	42,990,157	-266,329	7,026,529	49,750,357	16.96
2010	49,750,357	-945,702	7,968,508	56,773,162	16.04
2011	56,773,162	5,980,598	-106,454	62,647,306	0.21
2012	62,647,306	-3,272,990	7,981,576	67,355,892	13.06
2013	67,355,892	3,833,098	10,080,387	81,269,377	14.57
2014	81,269,377	433,596	4,932,736	86,635,709	6.07
2015	86,635,709	-1,061,315	944,605	86,518,999	0.96
2016	86,518,999	-963,813	6,882,046	92,437,231	8.11
2017	92,437,231	-5,509,562	12,773,358	99,701,028	14.24
To 06/2018	99,701,028	1,285,549	1,056,701	102,043,278	1.06

Gain/Loss includes income received and change in accrued income for the period.

## Fee Analysis

Investment Manager	Asset Class	Market Value	Estimated Annual Fee (\$)	Annual Fee (%)
Principal Global Investor S&P 500 Index Account	US Large Cap Core	\$18,330,516	\$10,998	0.06
GE Asset Management GE Institutional Small-Cap Equity Fund	US Small Cap Core	\$11,770,018	\$117,700	1.00
Principal Global Investor Diversified International Equity	Intl Large Cap Core	\$19,875,256	\$137,139	0.69
Principal Global Investor Principal Bond Index - Mellon	US Fixed Income	\$10,133,188	\$30,400	0.30
BlackRock Strategic Income Opportunities	US Fixed Income	\$9,339,711	\$51,368	0.55
PGIM Real Estate PRISA	Real Estate	\$13,931,613	\$139,316	1.00
Invesco Balanced Risk Allocation	GTAA	\$11,218,506	\$42,630	0.38
Principal Global Investor Diversified Real Asset Fund	Real Assets	\$6,586,691	\$57,963	0.88
PGIM Fixed Income Short Term	Cash	\$857,780	\$3,002	0.35
		<b>\$102,043,278</b>	<b>\$590,517</b>	<b>0.58</b>



## Thrift/457(b) Plan



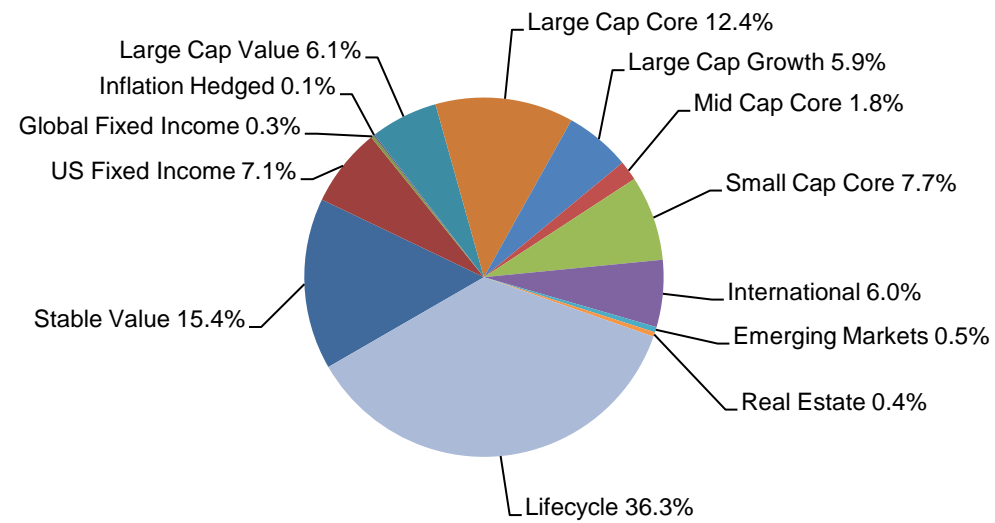
**PLAN ACTIVITY**  
**April 1, 2018 through June 30, 2018**

Funds	Beginning Balance April 1, 2018	Contributions	Withdrawals/ Distributions	Net Exchanges	Forfeitures	Expenses / Fees	Other Activity	Investment Gains/Losses	Ending Balance June 30, 2018
Diversified SAGIC II	\$ 5,381,394.06	\$ 68,009.69	\$ (25,464.92)	\$ 70,273.11	\$ -	\$ (2,047.36)	\$ 1,407.65	\$ 47,770.37	\$ 5,541,343
Vanguard Total Bond Mrkt	\$ 420,412.05	\$ 7,323.38	\$ -	\$ 18,623.60	\$ -	\$ (69.14)	\$ -	\$ (625.06)	\$ 445,665
Western Asset Cr Plus Bond	\$ 2,111,672.33	\$ 33,184.07	\$ (9,318.06)	\$ (5,712.65)	\$ -	\$ (597.85)	\$ 1,859.30	\$ (31,197.61)	\$ 2,099,890
Brandywine Global Intl Opportunities Bond	\$ 77,852.19	\$ 1,499.25	\$ -	\$ 21,595.58	\$ -	\$ (21.54)	\$ -	\$ (7,002.17)	\$ 93,923
Principal Diversified Real Asset Inst	\$ 43,384.46	\$ 449.58	\$ -	\$ (1,392.07)	\$ -	\$ (13.41)	\$ -	\$ 1,050.41	\$ 43,479
T. Rowe Price Equity Income	\$ 2,169,001.71	\$ 27,512.71	\$ (20,120.72)	\$ (41,870.39)	\$ -	\$ (632.80)	\$ 2,390.32	\$ 39,110.52	\$ 2,175,391
Vanguard 500 Index Admiral	\$ 4,585,384.66	\$ 43,674.10	\$ (233,411.60)	\$ (78,540.17)	\$ -	\$ (1,198.33)	\$ -	\$ 150,115.22	\$ 4,466,024
Fidelity Contrafund	\$ 2,066,265.35	\$ 22,520.31	\$ (40,859.33)	\$ (56,286.61)	\$ -	\$ (594.82)	\$ 3,107.96	\$ 127,181.77	\$ 2,121,335
Vanguard Mid Cap Index Fund	\$ 295,234.35	\$ 5,752.28	\$ -	\$ (22,167.33)	\$ -	\$ (69.33)	\$ -	\$ 7,757.85	\$ 286,508
JP Morgan Intrepid Mid Cap	\$ 361,687.65	\$ 5,867.45	\$ -	\$ (17,205.46)	\$ -	\$ (102.83)	\$ -	\$ 6,092.82	\$ 356,340
Vanguard Small Cap Index Fund	\$ 597,645.79	\$ 7,367.39	\$ -	\$ 5,599.83	\$ -	\$ (129.18)	\$ -	\$ 37,820.03	\$ 648,304
Voya Small Company Fund	\$ 2,020,473.42	\$ 20,327.04	\$ (40,698.25)	\$ (15,304.36)	\$ -	\$ (725.15)	\$ 17,928.91	\$ 97,562.47	\$ 2,099,564
Harbor International Fund	\$ 1,971,413.96	\$ 26,053.26	\$ (110,597.07)	\$ (10,112.45)	\$ -	\$ (638.16)	\$ 37,428.55	\$ (12,636.91)	\$ 1,900,911
Vanguard Total Intl Stock Indx	\$ 291,836.03	\$ 7,084.95	\$ -	\$ (25,233.44)	\$ -	\$ (91.05)	\$ -	\$ (9,202.52)	\$ 264,394
Oppenheimer Developing Markets	\$ 179,109.15	\$ 3,267.58	\$ (5,541.36)	\$ 2,236.37	\$ -	\$ (62.23)	\$ -	\$ (7,137.94)	\$ 171,872
Nuveen Real Estate Secur Fund	\$ 138,388.35	\$ 3,292.75	\$ -	\$ (5,704.21)	\$ -	\$ (36.85)	\$ -	\$ 11,062.78	\$ 147,003
American Funds 2010 Retirement	\$ 14,128.15	\$ 306.12	\$ -	\$ -	\$ -	\$ (25.16)	\$ -	\$ 78.44	\$ 14,488
American Funds 2015 Retirement	\$ 291,661.06	\$ 551.95	\$ (11,000.00)	\$ -	\$ -	\$ (72.42)	\$ -	\$ 1,991.19	\$ 283,132
American Funds 2020 Retirement	\$ 1,288,439.44	\$ 19,722.53	\$ -	\$ -	\$ -	\$ (360.00)	\$ -	\$ 12,387.75	\$ 1,320,190
American Funds 2025 Retirement	\$ 2,255,507.23	\$ 49,367.89	\$ -	\$ 215,476.40	\$ -	\$ (731.23)	\$ -	\$ 26,666.20	\$ 2,546,286
American Funds 2030 Retirement	\$ 2,752,944.14	\$ 45,340.39	\$ -	\$ (127,560.68)	\$ -	\$ (786.80)	\$ -	\$ 35,584.99	\$ 2,705,522
American Funds 2035 Retirement	\$ 1,734,814.96	\$ 36,315.92	\$ (5,000.00)	\$ -	\$ -	\$ (785.71)	\$ -	\$ 29,114.35	\$ 1,794,460
American Funds 2040 Retirement	\$ 1,548,283.96	\$ 34,495.30	\$ -	\$ -	\$ -	\$ (608.98)	\$ -	\$ 28,361.01	\$ 1,610,531
American Funds 2045 Retirement	\$ 1,691,504.10	\$ 49,810.82	\$ (725.65)	\$ 83,982.72	\$ (285.80)	\$ (1,117.69)	\$ -	\$ 30,829.41	\$ 1,853,998
American Funds 2050 Retirement	\$ 600,457.07	\$ 35,071.56	\$ (18,085.25)	\$ (10,697.79)	\$ (264.92)	\$ (890.62)	\$ -	\$ 11,442.39	\$ 617,032
American Funds 2055 Retirement	\$ 201,993.86	\$ 18,115.55	\$ (1,151.15)	\$ -	\$ (461.73)	\$ (555.00)	\$ -	\$ 3,952.74	\$ 221,894
American Funds 2060 Retirement	\$ 47,053.40	\$ 9,327.85	\$ -	\$ -	\$ -	\$ (312.42)	\$ -	\$ 921.11	\$ 56,990
<b>Total</b>	<b>\$ 35,137,943</b>	<b>\$ 581,612</b>	<b>\$ (521,973)</b>	<b>\$ -</b>	<b>\$ (1,012)</b>	<b>\$ (13,276)</b>	<b>\$ 64,123</b>	<b>\$ 639,052</b>	<b>\$ 35,886,467</b>

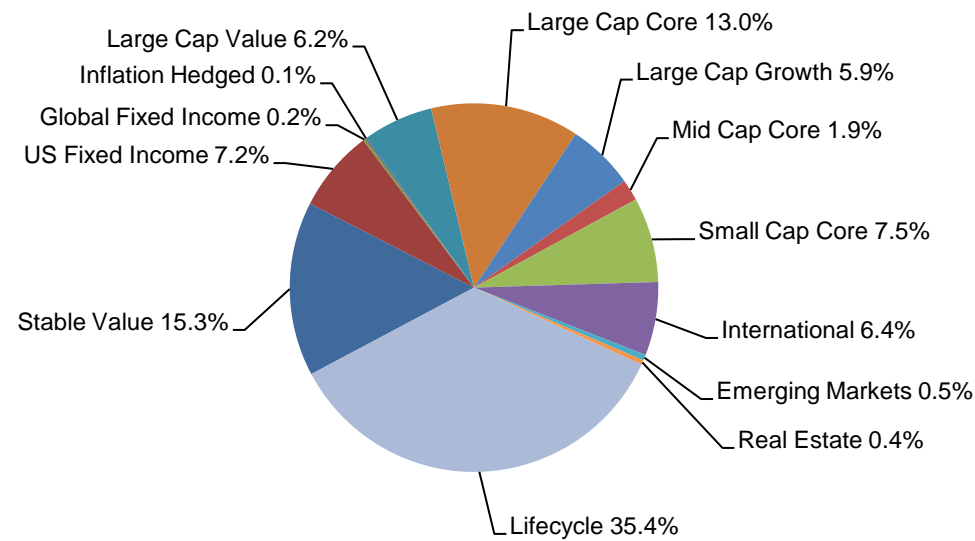
**Asset Allocation Summary**  
**As of June 30, 2018**

<b>Fund</b>	<b>Plan Assets</b>	<b>% of Total</b>
Diversified SAGIC II	\$ 5,541,343	15.4%
Vanguard Total Bond Mrkt	\$ 445,665	1.2%
Western Asset Cr Plus Bond	\$ 2,099,890	5.9%
Brandywine Global Intl Opportunities Bond	\$ 93,923	0.3%
Principal Diversified Real Asset Inst	\$ 43,479	0.1%
T. Rowe Price Equity Income	\$ 2,175,391	6.1%
Vanguard 500 Index Admiral	\$ 4,466,024	12.4%
Fidelity Contrafund	\$ 2,121,335	5.9%
Vanguard Mid Cap Index Fund	\$ 286,508	0.8%
JP Morgan Intrepid Mid Cap	\$ 356,340	1.0%
Vanguard Small Cap Index Fund	\$ 648,304	1.8%
Voya Small Company Fund	\$ 2,099,564	5.9%
Harbor International Fund	\$ 1,900,911	5.3%
Vanguard Total Intl Stock Indx	\$ 264,394	0.7%
Oppenheimer Developing Markets	\$ 171,872	0.5%
Nuveen Real Estate Secur Fund	\$ 147,003	0.4%
American Funds 2010 Retirement	\$ 14,488	0.0%
American Funds 2015 Retirement	\$ 283,132	0.8%
American Funds 2020 Retirement	\$ 1,320,190	3.7%
American Funds 2025 Retirement	\$ 2,546,286	7.1%
American Funds 2030 Retirement	\$ 2,705,522	7.5%
American Funds 2035 Retirement	\$ 1,794,460	5.0%
American Funds 2040 Retirement	\$ 1,610,531	4.5%
American Funds 2045 Retirement	\$ 1,853,998	5.2%
American Funds 2050 Retirement	\$ 617,032	1.7%
American Funds 2055 Retirement	\$ 221,894	0.6%
American Funds 2060 Retirement	\$ 56,990	0.2%
<b>Total Assets</b>	<b>\$ 35,886,467</b>	<b>100.0%</b>

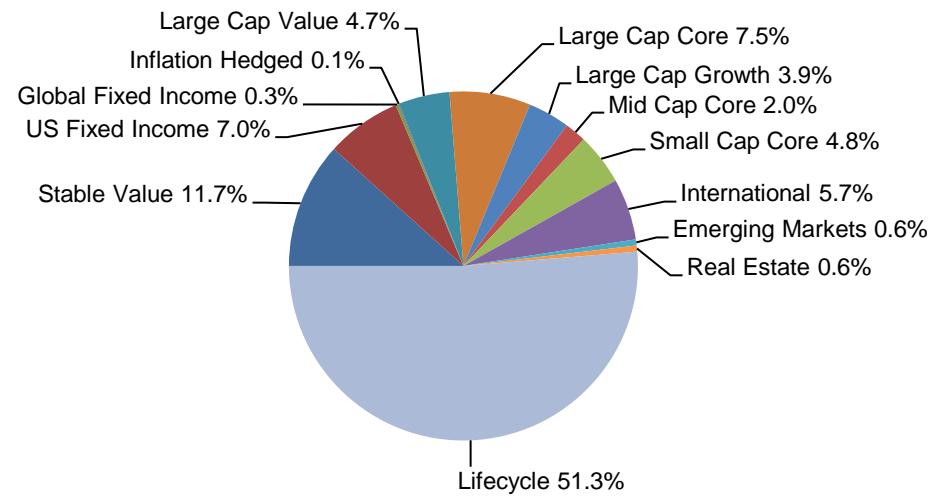
### Asset Allocation as of June 30, 2018



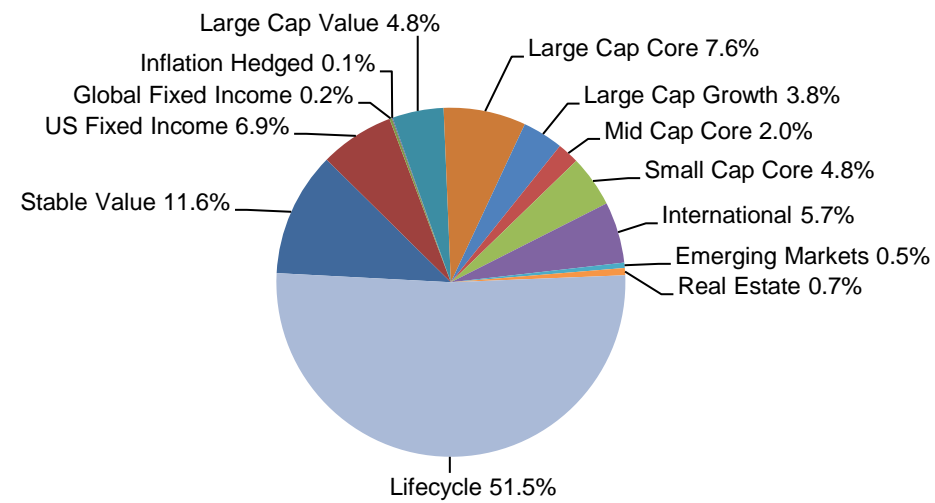
### Asset Allocation as of April 1, 2018



### Plan Contributions - 2nd Quarter 2018



### Plan Contributions - 1st Quarter 2018



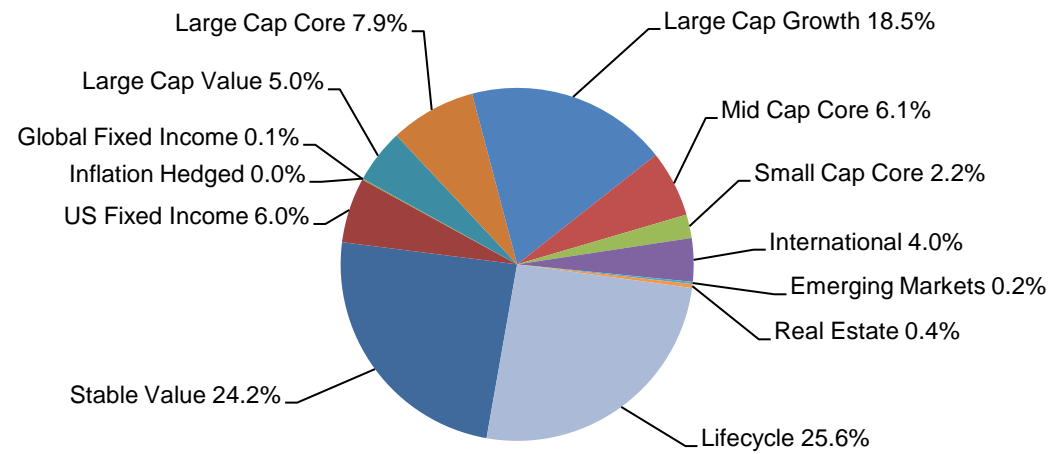
**PLAN ACTIVITY**  
**April 1, 2018 through June 30, 2018**

Funds	Beginning Balance April 1, 2018	Contributions	Withdrawals/ Distributions	Net Exchanges	Expenses / Fees	Other Activity	Investment Gains/Losses	Ending Balance June 30, 2018
Diversified SAGIC II	\$ 6,357,805.52	\$ 42,271.95	\$ (99,027.00)	\$ 327,444.11	\$ (1,092.01)	\$ 34,371.24	\$ 57,415.30	\$ 6,719,189
Vanguard Total Bond Mrkt	\$ 771,141.36	\$ 9,600.75	\$ (3,281.00)	\$ (61,604.68)	\$ (137.63)	\$ -	\$ (1,445.14)	\$ 714,274
Western Asset Cr Plus Bond	\$ 902,702.31	\$ 13,690.57	\$ -	\$ 37,508.98	\$ (144.10)	\$ -	\$ (14,249.69)	\$ 939,508
Brandywine Global Intl Opportunities Bond	\$ 36,657.44	\$ 1,007.53	\$ -	\$ (7,167.77)	\$ (12.77)	\$ -	\$ (2,358.05)	\$ 28,126
Principal Diversified Real Asset Inst	\$ 416.73	\$ -	\$ -	\$ -	\$ (0.21)	\$ -	\$ 10.16	\$ 427
T. Rowe Price Equity Income	\$ 1,354,657.50	\$ 15,838.30	\$ (5,261.49)	\$ (16,589.66)	\$ (303.03)	\$ -	\$ 24,580.26	\$ 1,372,922
Vanguard 500 Index Admiral	\$ 2,172,476.85	\$ 47,425.38	\$ (90,108.15)	\$ (64,630.75)	\$ (597.25)	\$ 41,124.49	\$ 74,084.00	\$ 2,179,775
Fidelity Contrafund	\$ 5,264,051.11	\$ 42,360.23	\$ (306,385.01)	\$ (177,737.78)	\$ (786.23)	\$ -	\$ 303,616.54	\$ 5,125,119
Vanguard Mid Cap Index Fund	\$ 648,349.43	\$ 14,784.40	\$ -	\$ (13,926.95)	\$ (191.49)	\$ -	\$ 16,732.75	\$ 665,748
JP Morgan Intrepid Mid Cap	\$ 1,013,724.97	\$ 10,635.67	\$ (6,360.09)	\$ (14,251.35)	\$ (195.03)	\$ -	\$ 16,828.70	\$ 1,020,383
Vanguard Small Cap Index Fund	\$ 285,888.81	\$ 10,862.54	\$ (263.15)	\$ 10,781.11	\$ (89.21)	\$ -	\$ 18,158.37	\$ 325,338
Voya Small Company Fund	\$ 274,219.62	\$ 6,006.49	\$ (3,227.57)	\$ (17,092.82)	\$ (103.13)	\$ -	\$ 13,146.20	\$ 272,949
Harbor International Fund	\$ 324,550.90	\$ 11,032.79	\$ -	\$ (4,144.98)	\$ (109.18)	\$ -	\$ (2,533.66)	\$ 328,796
Vanguard Total Intl Stock Indx	\$ 798,392.93	\$ 14,721.15	\$ (3,200.56)	\$ (11,221.50)	\$ (210.04)	\$ -	\$ (25,224.01)	\$ 773,258
Oppenheimer Developing Markets	\$ 57,791.89	\$ 2,678.37	\$ -	\$ (1,362.72)	\$ (42.29)	\$ -	\$ (2,356.96)	\$ 56,708
Nuveen Real Estate Secur Fund	\$ 93,342.53	\$ 3,796.43	\$ -	\$ (6,508.10)	\$ (53.79)	\$ -	\$ 7,394.79	\$ 97,972
American Funds 2010 Retirement	\$ 219,063.80	\$ 115.50	\$ (8,141.55)	\$ -	\$ (49.61)	\$ -	\$ 1,194.41	\$ 212,183
American Funds 2015 Retirement	\$ 333,956.86	\$ 105.00	\$ -	\$ -	\$ (77.18)	\$ -	\$ 2,322.90	\$ 336,308
American Funds 2020 Retirement	\$ 1,199,253.74	\$ 21,003.14	\$ (8,537.20)	\$ (6,901.36)	\$ (205.32)	\$ -	\$ 11,378.63	\$ 1,215,992
American Funds 2025 Retirement	\$ 1,325,297.08	\$ 41,303.12	\$ -	\$ (42,309.49)	\$ (564.34)	\$ -	\$ 14,666.38	\$ 1,338,393
American Funds 2030 Retirement	\$ 497,590.67	\$ 12,970.89	\$ -	\$ 40,914.53	\$ (193.32)	\$ -	\$ 7,275.57	\$ 558,558
American Funds 2035 Retirement	\$ 777,133.32	\$ 17,871.58	\$ -	\$ -	\$ (343.12)	\$ -	\$ 13,041.87	\$ 807,704
American Funds 2040 Retirement	\$ 768,071.32	\$ 9,365.00	\$ -	\$ -	\$ (311.13)	\$ -	\$ 14,067.79	\$ 791,193
American Funds 2045 Retirement	\$ 319,004.01	\$ 14,198.00	\$ (4,465.90)	\$ 69,061.27	\$ (299.21)	\$ -	\$ 5,310.70	\$ 402,809
American Funds 2050 Retirement	\$ 147,937.83	\$ 26,526.81	\$ -	\$ -	\$ (129.32)	\$ -	\$ 3,383.55	\$ 177,719
American Funds 2055 Retirement	\$ 3,774.15	\$ 2,375.00	\$ -	\$ -	\$ (127.50)	\$ -	\$ 75.11	\$ 6,097
American Funds 2060 Retirement	\$ 1,271,386.77	\$ 7,286.25	\$ -	\$ (40,260.09)	\$ (303.67)	\$ -	\$ 23,823.87	\$ 1,261,933
<b>Total</b>	<b>\$ 27,218,639</b>	<b>\$ 399,833</b>	<b>\$ (538,259)</b>	<b>\$ -</b>	<b>\$ (6,671)</b>	<b>\$ 75,496</b>	<b>\$ 580,340</b>	<b>\$ 27,729,379</b>

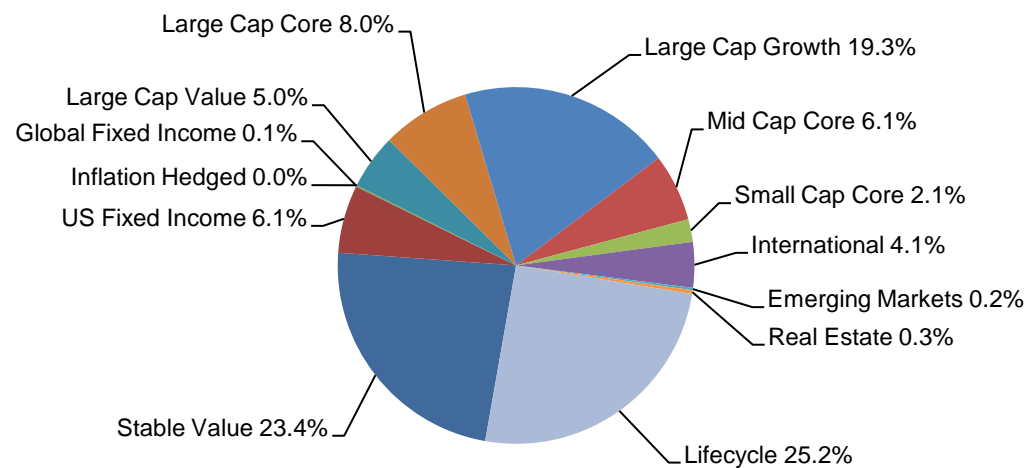
**Asset Allocation Summary**  
**As of June 30, 2018**

<b>Fund</b>	<b>Plan Assets</b>	<b>% of Total</b>
Diversified SAGIC II	\$ 6,719,189	24.2%
Vanguard Total Bond Mrkt	\$ 714,274	2.6%
Western Asset Cr Plus Bond	\$ 939,508	3.4%
Brandywine Global Intl Opportunities Bond	\$ 28,126	0.1%
Principal Diversified Real Asset Inst	\$ 427	0.0%
T. Rowe Price Equity Income	\$ 1,372,922	5.0%
Vanguard 500 Index Admiral	\$ 2,179,775	7.9%
Fidelity Contrafund	\$ 5,125,119	18.5%
Vanguard Mid Cap Index Fund	\$ 665,748	2.4%
JP Morgan Intrepid Mid Cap	\$ 1,020,383	3.7%
Vanguard Small Cap Index Fund	\$ 325,338	1.2%
Voya Small Company Fund	\$ 272,949	1.0%
Harbor International Fund	\$ 328,796	1.2%
Vanguard Total Intl Stock Indx	\$ 773,258	2.8%
Oppenheimer Developing Markets	\$ 56,708	0.2%
Nuveen Real Estate Secur Fund	\$ 97,972	0.4%
American Funds 2010 Retirement	\$ 212,183	0.8%
American Funds 2015 Retirement	\$ 336,308	1.2%
American Funds 2020 Retirement	\$ 1,215,992	4.4%
American Funds 2025 Retirement	\$ 1,338,393	4.8%
American Funds 2030 Retirement	\$ 558,558	2.0%
American Funds 2035 Retirement	\$ 807,704	2.9%
American Funds 2040 Retirement	\$ 791,193	2.9%
American Funds 2045 Retirement	\$ 402,809	1.5%
American Funds 2050 Retirement	\$ 177,719	0.6%
American Funds 2055 Retirement	\$ 6,097	0.0%
American Funds 2060 Retirement	\$ 1,261,933	4.6%
<b>Total Assets</b>	<b>\$ 27,729,379</b>	<b>100.0%</b>

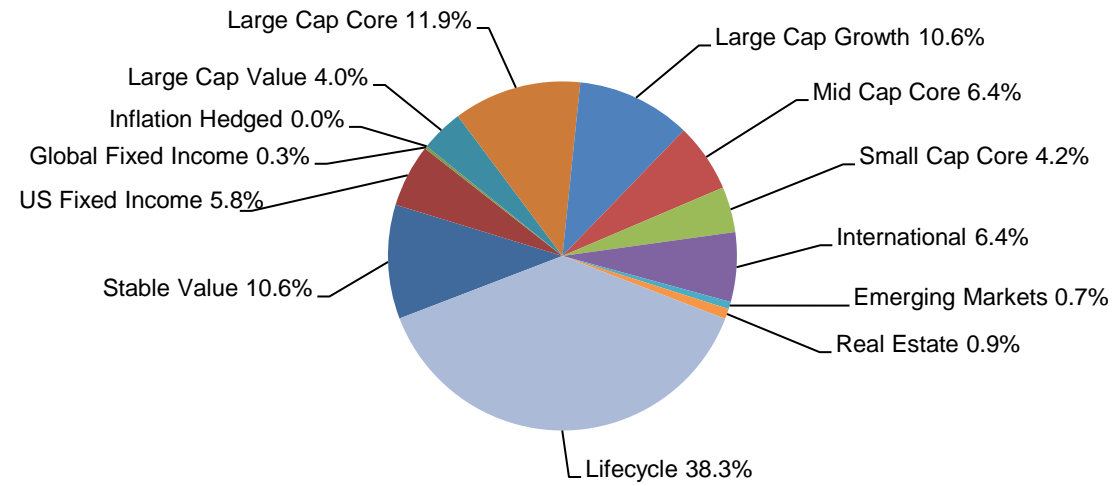
### Asset Allocation as of June 30, 2018



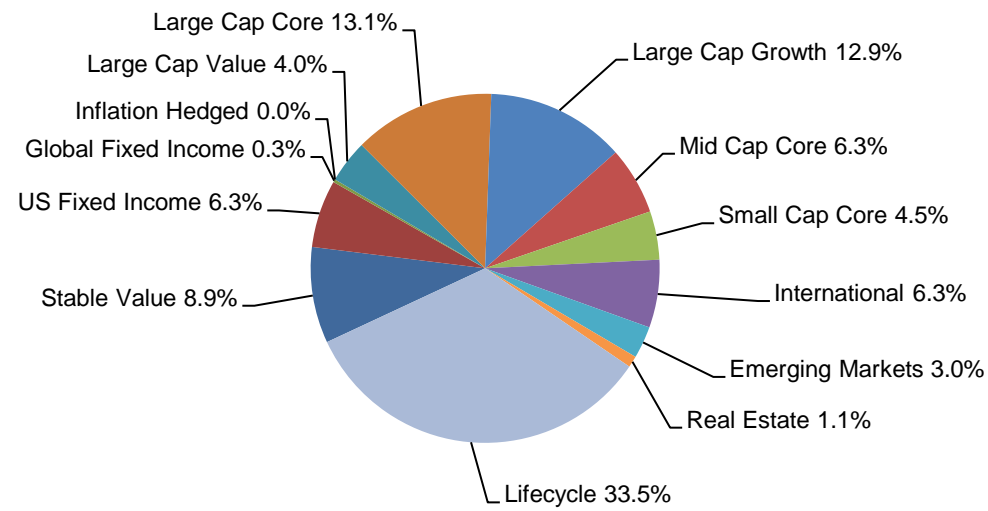
### Asset Allocation as of April 1, 2018



**Plan Contributions - 2nd Quarter 2018**



**Plan Contributions - 1st Quarter 2018**



## City of Rockville DC

## Comparative Performance

As of June 30, 2018

	Allocation		Performance (%)					Expense Ratio
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	
<b>City of Rockville</b>	<b>63,615,846</b>	<b>100.00</b>						
Diversified SAGIC II	12,260,532	19.27	0.94	1.79	3.80	N/A	N/A	
Hueler Stable Value			0.55	1.07	2.11	1.90	1.83	
Vanguard Total Bond Market Index Adm	1,159,938	1.82	-0.17	-1.64	-0.53	1.67	2.20	0.05
Blmbg. Barc. U.S. Aggregate			-0.16	-1.62	-0.40	1.72	2.27	
Vanguard Total Bond Market Index Adm Rank			34	38	45	43	46	
Western Asset Core Plus Bond	3,039,398	4.78	-1.46	-2.51	-0.43	3.34	3.81	0.43
Blmbg. Barc. U.S. Aggregate			-0.16	-1.62	-0.40	1.72	2.27	
Western Asset Core Plus Bond Rank			98	92	76	21	16	
Brandywine Global International Opps Bond	122,050	0.19	-7.38	-3.40	-0.90	2.31	1.56	0.65
FTSE Non-U.S. World Government Bond			-5.11	-0.92	3.22	3.74	1.01	
Brandywine Global International Opps Bond Rank			93	77	70	46	44	
Principal Diversified Real Asset R6	43,906	0.07	2.44	1.03	6.82	1.52	N/A	0.80
Principal Diversified Real Asset Custom Index			2.62	1.09	7.14	2.77	2.91	
Principal Diversified Real Asset R6 Rank			6	11	57	96	N/A	
T. Rowe Price Equity Income	3,548,313	5.58	1.82	-0.46	9.60	N/A	N/A	0.55
Russell 1000 Value Index			1.18	-1.69	6.77	8.26	10.34	
T. Rowe Price Equity Income Rank			31	25	31	N/A	N/A	
Vanguard 500 Index Admiral	6,645,798	10.45	3.42	2.63	14.34	11.89	13.38	0.04
S&P 500			3.43	2.65	14.37	11.93	13.42	
Vanguard 500 Index Admiral Rank			26	28	32	13	14	
Fidelity Contrafund	7,246,453	11.39	6.28	9.52	23.99	14.88	16.02	0.74
Russell 1000 Growth Index			5.76	7.25	22.51	14.98	16.36	
Fidelity Contrafund Rank			37	43	35	23	38	
Vanguard MidCap Index Admiral	952,256	1.50	2.57	2.58	12.09	9.21	12.30	0.05
Vanguard MidCap Policy Index			2.58	2.60	12.12	9.25	12.35	
Vanguard MidCap Index Admiral Rank			42	24	31	30	13	

As of June 30, 2018

	Allocation		Performance (%)					Expense Ratio
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	
JPMorgan Intrepid Mid Cap Select	1,376,723	2.16	1.65	1.05	11.47	7.83	11.47	0.89
Russell Midcap Index			2.82	2.35	12.33	9.58	12.22	
JPMorgan Intrepid Mid Cap Select Rank			76	52	37	50	26	
Vanguard Small Cap Index Adm	973,642	1.53	6.20	5.98	16.48	10.45	12.40	0.05
Vanguard Small Cap Policy Index			6.20	5.97	16.47	10.43	12.39	
Vanguard Small Cap Index Adm Rank			68	53	42	60	46	
Voya Small Company R6	2,372,513	3.73	4.84	3.12	11.05	10.01	12.27	0.97
Russell 2000 Index			7.75	7.66	17.57	10.96	12.46	
Voya Small Company R6 Rank			86	91	87	64	50	
Harbor International Instl	2,229,707	3.50	-0.74	-1.32	4.48	2.86	4.87	0.72
MSCI AC World ex USA (Net)			-2.61	-3.77	7.28	5.07	5.99	
Harbor International Instl Rank			16	8	71	72	68	
Vanguard Total International Stock Adm	1,037,652	1.63	-3.17	-3.62	7.10	5.33	6.42	0.11
FTSE Global ex USA All Cap Index (USD)			-2.45	-3.51	7.89	5.77	6.84	
Vanguard Total International Stock Adm Rank			50	37	17	21	10	
Oppenheimer Developing Markets I	228,580	0.36	-4.00	-1.09	12.63	7.59	6.04	0.88
MSCI Emerging Markets Index			-7.86	-6.51	8.59	5.98	5.39	
Oppenheimer Developing Markets I Rank			5	4	9	12	22	
Nuveen Real Estate Securities R6	244,975	0.39	8.11	0.55	3.53	7.90	8.41	0.93
Wilshire US REIT Index			7.33	-0.70	1.60	7.05	7.94	
Nuveen Real Estate Securities R6 Rank			61	77	84	68	79	
American Funds 2010 Target Date	226,670	0.36	0.55	-0.46	4.37	5.27	6.18	0.34
AF 2010 Target Date Benchmark			0.54	-0.61	4.89	5.23	6.30	
American Funds 2010 Target Date Rank			24	56	47	5	8	
American Funds 2015 Target Date	619,439	0.97	0.70	-0.26	5.04	5.61	6.78	0.33
AF 2015 Target Date Benchmark			0.64	-0.48	5.33	5.54	6.81	
American Funds 2015 Target Date Rank			30	50	47	12	12	

City of Rockville DC

Comparative Performance

As of June 30, 2018

	Allocation		Performance (%)					Expense Ratio
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	
American Funds 2020 Target Date	2,536,181	3.99	0.96	0.32	6.28	6.23	7.60	0.35
AF 2020 Target Date Benchmark			0.70	-0.40	5.93	5.90	7.36	
American Funds 2020 Target Date Rank			10	9	23	4	3	
American Funds 2025 Target Date	3,884,679	6.11	1.12	0.82	8.08	7.14	8.75	0.37
AF 2025 Custom Index			0.79	-0.25	7.21	6.63	8.30	
American Funds 2025 Target Date Rank			8	3	8	1	1	
American Funds 2030 Target Date	3,264,080	5.13	1.38	1.38	10.03	8.16	9.86	0.39
AF 2030 Custom Index			0.89	-0.12	8.49	7.35	8.91	
American Funds 2030 Target Date Rank			8	2	1	1	1	
American Funds 2035 Target Date	2,602,163	4.09	1.67	2.02	11.94	9.19	10.61	0.40
AF 2035 Custom Index			0.94	-0.03	9.63	8.15	9.47	
American Funds 2035 Target Date Rank			5	2	1	1	1	
American Funds 2040 Target Date	2,401,724	3.78	1.83	2.23	12.67	9.56	10.91	0.41
AF 2040 Custom Index			0.99	0.03	10.01	8.36	9.61	
American Funds 2040 Target Date Rank			3	3	1	1	1	
American Funds 2045 Target Date	2,256,807	3.55	1.86	2.32	13.01	9.76	11.06	0.41
AF 2045 Custom Index			1.03	0.07	10.16	8.46	9.68	
American Funds 2045 Target Date Rank			3	3	1	1	1	
American Funds 2050 Target Date	794,751	1.25	1.90	2.44	13.28	9.88	11.15	0.42
AF 2050 Custom Index			1.06	0.11	10.31	8.55	9.74	
American Funds 2050 Target Date Rank			4	3	1	1	1	
American Funds 2055 Target Date	227,991	0.36	1.94	2.48	13.28	9.90	11.12	0.42
AF 2055 Custom Index			1.06	0.11	10.31	8.55	9.74	
American Funds 2055 Target Date Rank			2	2	1	1	1	
American Funds 2060 Target Date	1,318,923	2.07	1.92	2.50	13.26	9.89	N/A	0.45
AF 2060 Custom Index			1.06	0.11	10.31	8.55	N/A	
American Funds 2060 Target Date Rank			3	2	2	1	N/A	



## **Retiree Benefit Trust**



City of Rockville Retiree Benefit Trust

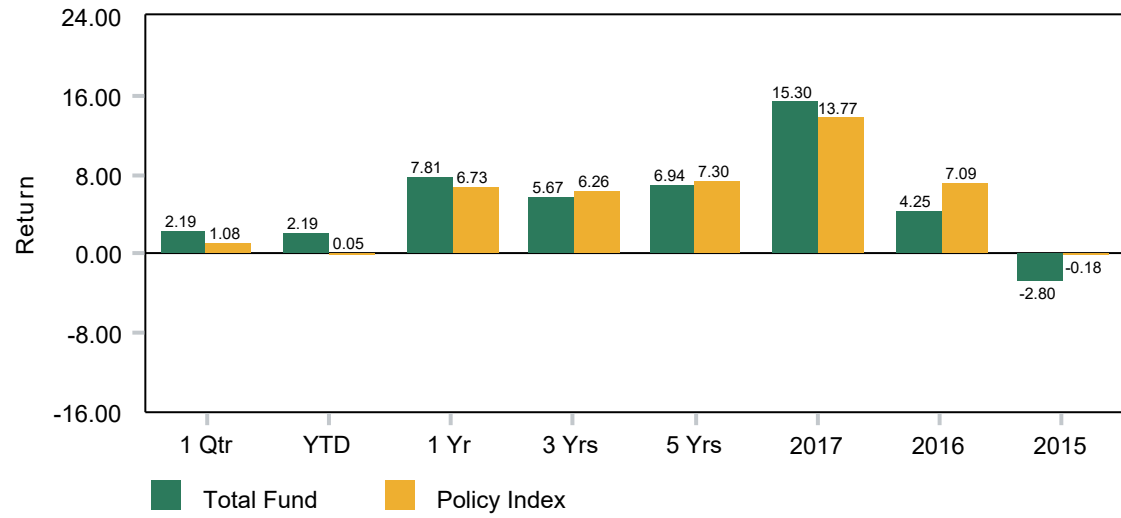
Total Fund

As of June 30, 2018

Asset Allocation by Segment

Segments	Market Value (\$)	Allocation (%)
Global Equity	4,176,901	52.45
Domestic Fixed Income	3,605,976	45.28
Cash Equivalent	180,212	2.26

Performance Bar Chart

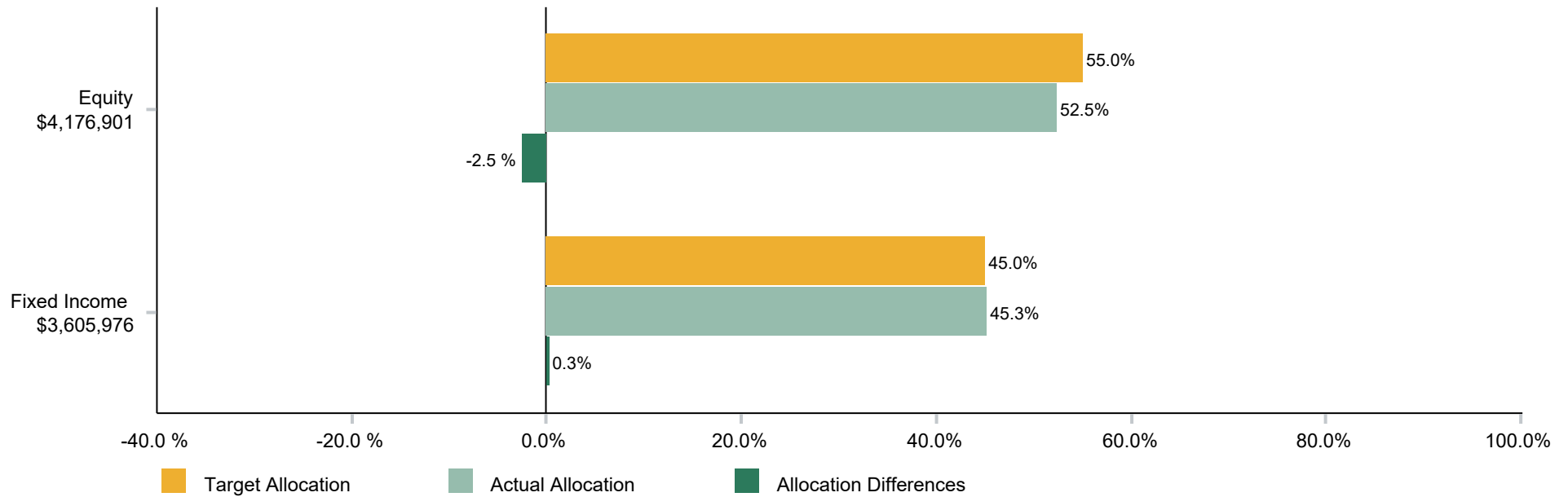


Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund					
Beginning Market Value	8,040,590	8,064,262	7,038,912	5,704,600	4,279,590
Net Cash Flows	-252,809	-276,147	347,731	1,030,329	1,608,715
Income	36,502	62,048	135,159	394,685	604,876
Gain/Loss	138,807	112,925	441,287	833,474	1,469,908
Ending Market Value	7,963,088	7,963,088	7,963,088	7,963,088	7,963,088

City of Rockville Retiree Benefit Trust

Total Fund  
As of June 30, 2018



	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Equity	4,176,901	52.45	55.00	-2.55	30.00	80.00
Fixed Income	3,605,976	45.28	45.00	0.28	20.00	70.00
Total Fund	7,963,088	100.00	100.00	0.00	N/A	N/A

City of Rockville Retiree Benefit Trust

Asset Allocation

As of June 30, 2018

	Total Fund	
	(\$)	%
Total Fund	7,963,088	100.00
Manning & Napier	7,963,088	100.00

## City of Rockville Retiree Benefit Trust

## Comparative Performance

As of June 30, 2018

	Allocation		Performance (%)								
	Market Value (\$000)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>7,963</b>	<b>100.00</b>	<b>2.19</b>	<b>2.19</b>	<b>7.81</b>	<b>5.67</b>	<b>6.94</b>	<b>6.90</b>	<b>N/A</b>	<b>9.00</b>	<b>07/01/2009</b>
Policy Index			1.08	0.05	6.73	6.26	7.30	7.06	N/A	8.90	
<b>Manning &amp; Napier</b>	<b>7,963</b>	<b>100.00</b>	<b>2.19</b>	<b>2.19</b>	<b>7.81</b>	<b>5.67</b>	<b>6.94</b>	<b>6.90</b>	<b>N/A</b>	<b>9.00</b>	<b>07/01/2009</b>
Policy Index			1.08	0.05	6.73	6.26	7.30	7.06	N/A	8.90	
<b>Global Equity Segment</b>	<b>4,177</b>	<b>52.45</b>	<b>4.10</b>	<b>5.06</b>	<b>16.08</b>	<b>9.83</b>	<b>11.30</b>	<b>10.96</b>	<b>N/A</b>	<b>13.81</b>	<b>07/01/2009</b>
Equity Policy Index			2.26	1.46	12.90	9.97	11.48	10.70	N/A	13.28	
<b>Manning &amp; Napier Global Equity Segment</b>	<b>4,177</b>	<b>52.45</b>	<b>4.10</b>	<b>5.06</b>	<b>16.08</b>	<b>9.83</b>	<b>11.30</b>	<b>10.96</b>	<b>N/A</b>	<b>13.81</b>	<b>07/01/2009</b>
Equity Policy Index			2.26	1.46	12.90	9.97	11.48	10.70	N/A	13.28	
<b>Bond Segment</b>	<b>3,606</b>	<b>45.28</b>	<b>0.03</b>	<b>-1.01</b>	<b>-0.87</b>	<b>0.73</b>	<b>1.29</b>	<b>2.04</b>	<b>N/A</b>	<b>3.37</b>	<b>07/01/2009</b>
Blmbg. Barc. U.S. Aggregate			-0.16	-1.62	-0.40	1.72	2.27	2.57	3.72	3.46	
<b>Manning &amp; Napier Bond Segment</b>	<b>3,606</b>	<b>45.28</b>	<b>0.03</b>	<b>-1.01</b>	<b>-0.87</b>	<b>0.73</b>	<b>1.29</b>	<b>2.04</b>	<b>N/A</b>	<b>3.37</b>	<b>07/01/2009</b>
Blmbg. Barc. U.S. Aggregate			-0.16	-1.62	-0.40	1.72	2.27	2.57	3.72	3.46	

City of Rockville Retiree Benefit Trust

Comparative Performance

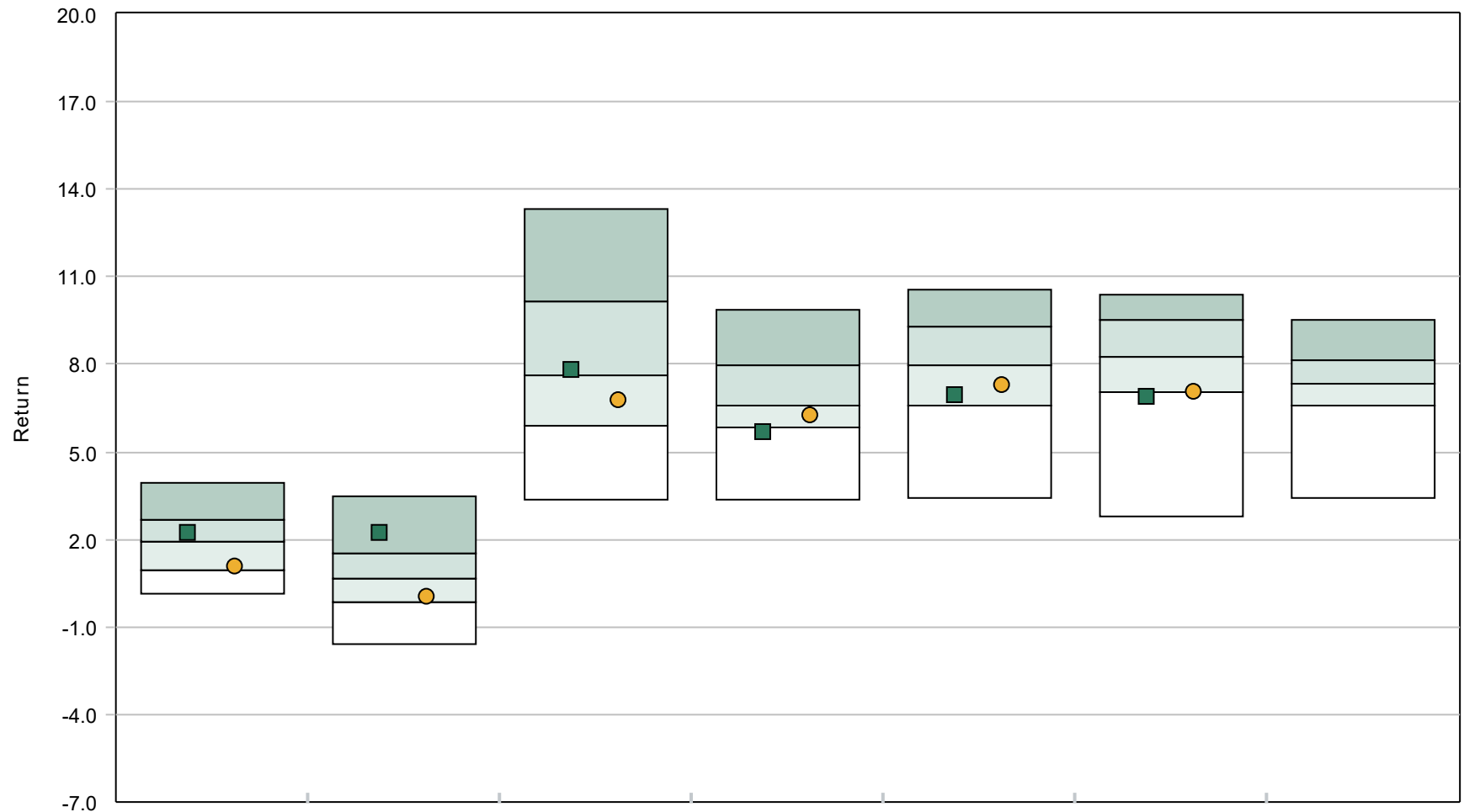
As of June 30, 2018

	Performance (%)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Fund</b>	<b>15.30</b>	<b>4.25</b>	<b>-2.80</b>	<b>6.02</b>	<b>15.65</b>	<b>13.73</b>	<b>0.58</b>	<b>13.13</b>	<b>N/A</b>	<b>N/A</b>
Policy Index	13.77	7.09	-0.18	7.10	13.85	11.09	2.05	11.94	N/A	N/A
<b>Manning &amp; Napier</b>	<b>15.30</b>	<b>4.25</b>	<b>-2.80</b>	<b>6.02</b>	<b>15.65</b>	<b>13.73</b>	<b>0.58</b>	<b>13.13</b>	<b>N/A</b>	<b>N/A</b>
Policy Index	13.77	7.09	-0.18	7.10	13.85	11.09	2.05	11.94	N/A	N/A
<b>Global Equity Segment</b>	<b>27.82</b>	<b>5.59</b>	<b>-4.98</b>	<b>7.99</b>	<b>30.49</b>	<b>19.27</b>	<b>-2.77</b>	<b>15.46</b>	<b>N/A</b>	<b>N/A</b>
Equity Policy Index	22.65	10.69	-1.04	8.26	28.83	16.60	-2.82	15.55	N/A	N/A
<b>Manning &amp; Napier Global Equity Segment</b>	<b>27.82</b>	<b>5.59</b>	<b>-4.98</b>	<b>7.99</b>	<b>30.49</b>	<b>19.27</b>	<b>-2.77</b>	<b>15.46</b>	<b>N/A</b>	<b>N/A</b>
Equity Policy Index	22.65	10.69	-1.04	8.26	28.83	16.60	-2.82	15.55	N/A	N/A
<b>Bond Segment</b>	<b>1.77</b>	<b>2.28</b>	<b>-0.27</b>	<b>2.27</b>	<b>-0.53</b>	<b>6.68</b>	<b>6.44</b>	<b>8.96</b>	<b>N/A</b>	<b>N/A</b>
Blmbg. Barc. U.S. Aggregate	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24
<b>Manning &amp; Napier Bond Segment</b>	<b>1.77</b>	<b>2.28</b>	<b>-0.27</b>	<b>2.27</b>	<b>-0.53</b>	<b>6.68</b>	<b>6.44</b>	<b>8.96</b>	<b>N/A</b>	<b>N/A</b>
Blmbg. Barc. U.S. Aggregate	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	6.54	5.93	5.24

City of Rockville Retiree Benefit Trust

IM U.S. Balanced (SA+CF)

As of June 30, 2018



■ Total Fund  
● Policy Index

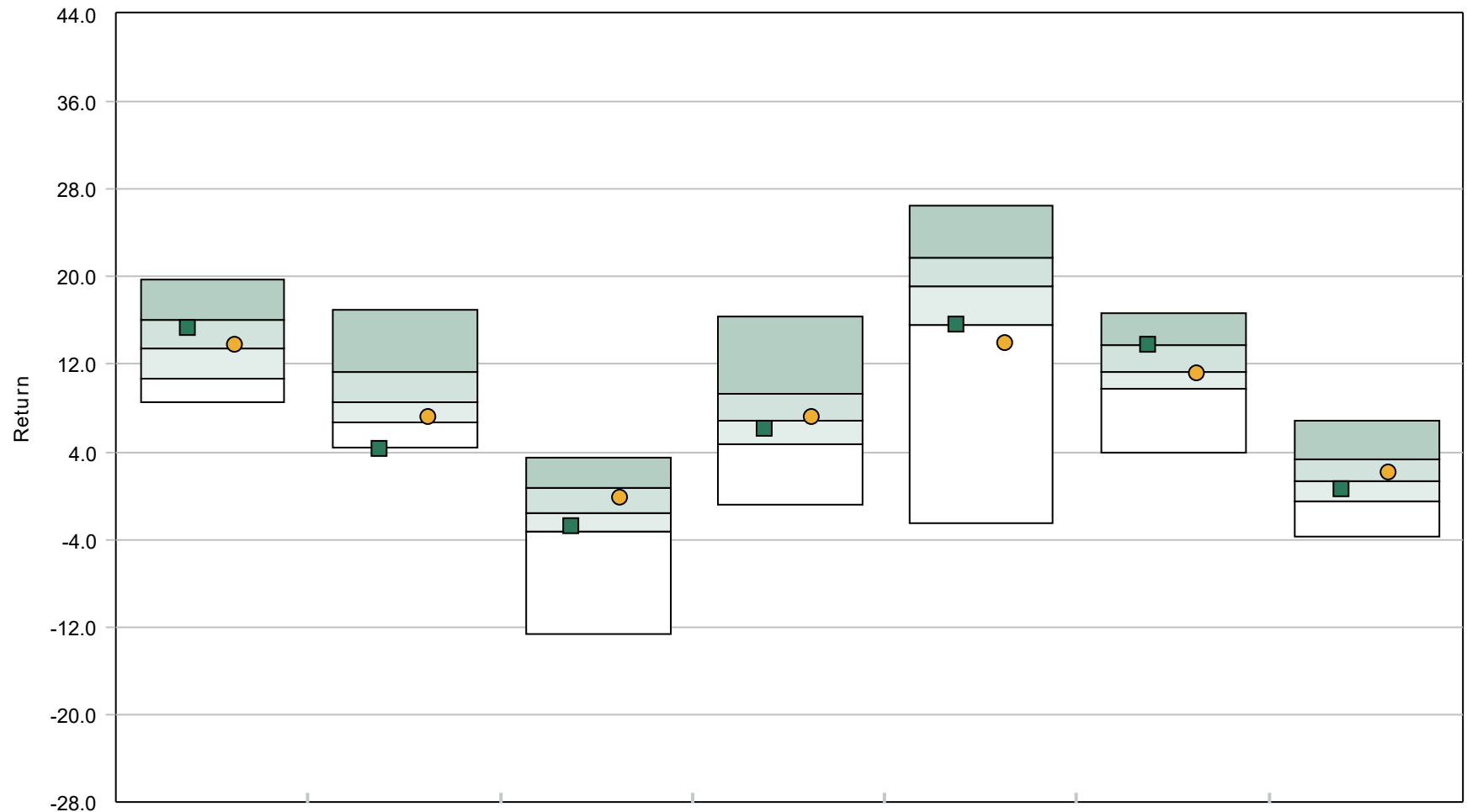
5th Percentile	3.95	3.47	13.35	9.88	10.58	10.38	9.51
1st Quartile	2.65	1.52	10.16	8.00	9.28	9.55	8.14
Median	1.91	0.67	7.65	6.61	7.99	8.25	7.32
3rd Quartile	0.97	-0.14	5.91	5.84	6.58	7.04	6.60
95th Percentile	0.11	-1.58	3.34	3.37	3.40	2.76	3.40

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

City of Rockville Retiree Benefit Trust

IM U.S. Balanced (SA+CF)

As of June 30, 2018



■ Total Fund  
● Policy Index

	2017	2016	2015	2014	2013	2012	2011
Total Fund	15.30 (33)	4.25 (96)	-2.80 (71)	6.02 (61)	15.65 (75)	13.73 (30)	0.58 (61)
Policy Index	13.77 (48)	7.09 (69)	-0.18 (35)	7.10 (46)	13.85 (79)	11.09 (55)	2.05 (41)

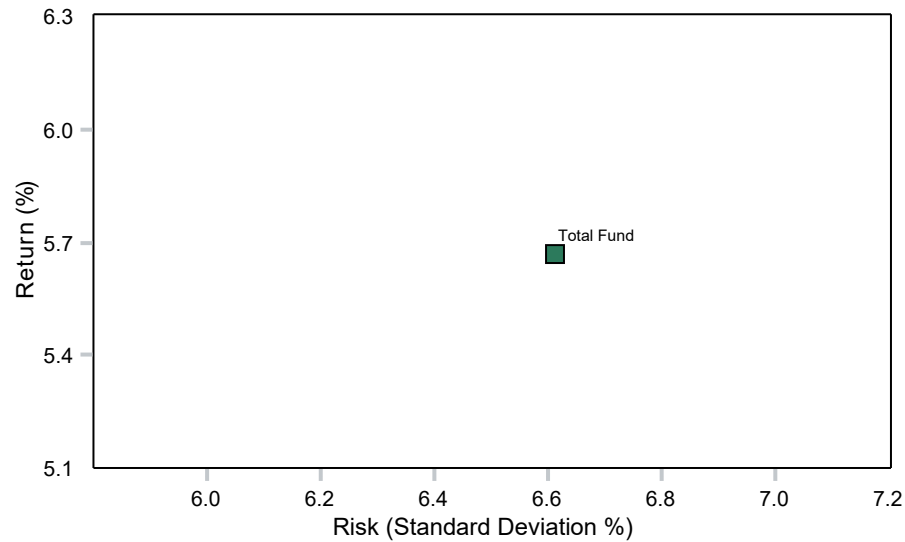
5th Percentile	19.81	16.91	3.47	16.30	26.54	16.66	6.84
1st Quartile	15.99	11.30	0.71	9.25	21.81	13.83	3.27
Median	13.53	8.49	-1.52	6.92	19.17	11.33	1.32
3rd Quartile	10.73	6.71	-3.27	4.68	15.61	9.80	-0.49
95th Percentile	8.56	4.34	-12.70	-0.82	-2.55	3.93	-3.73

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

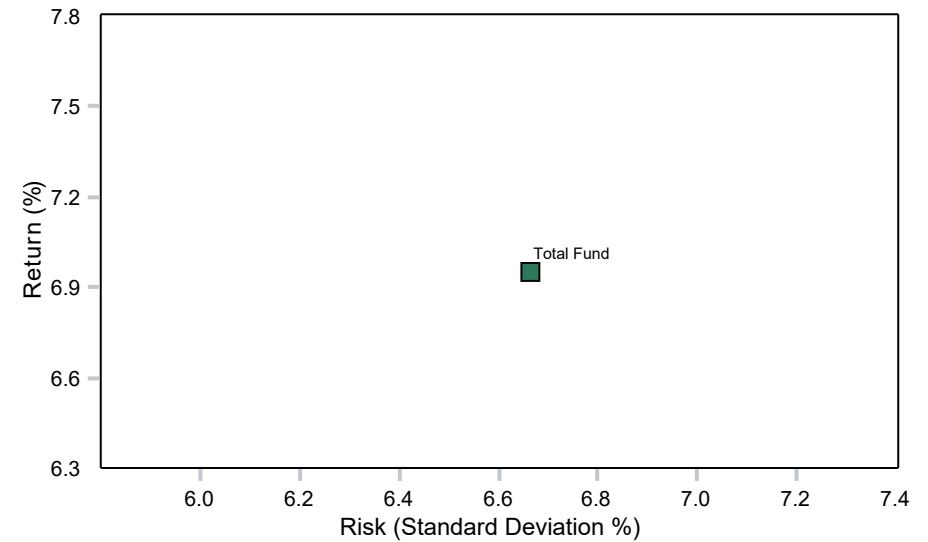
City of Rockville Retiree Benefit Trust

Total Composite  
As of June 30, 2018

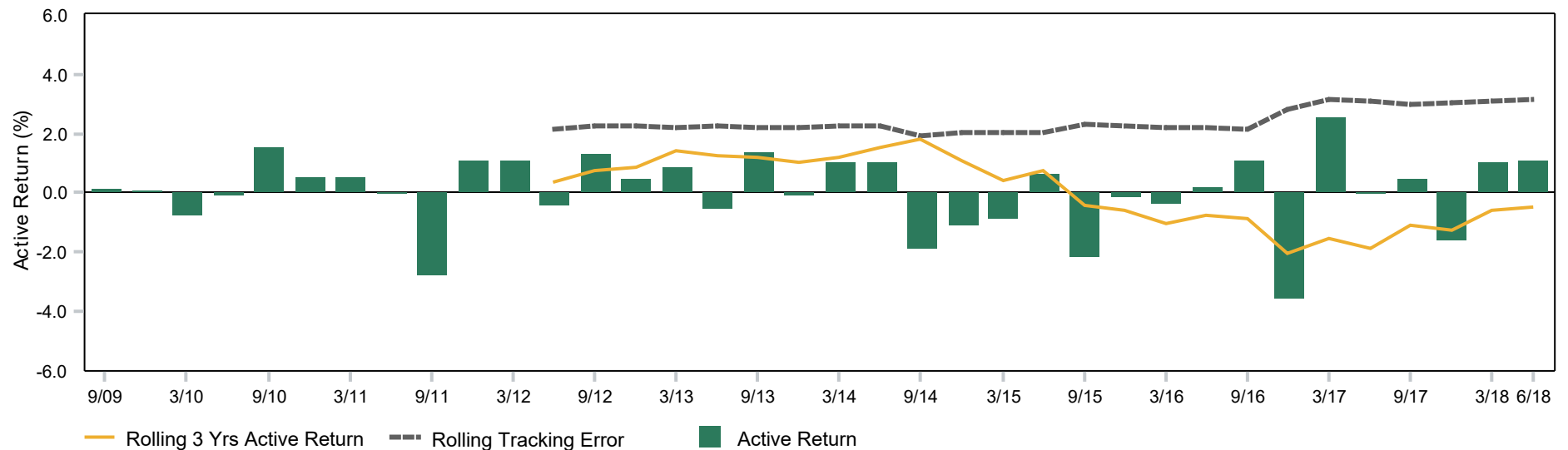
Risk & Return — 3 Years



Risk & Return — 5 Years



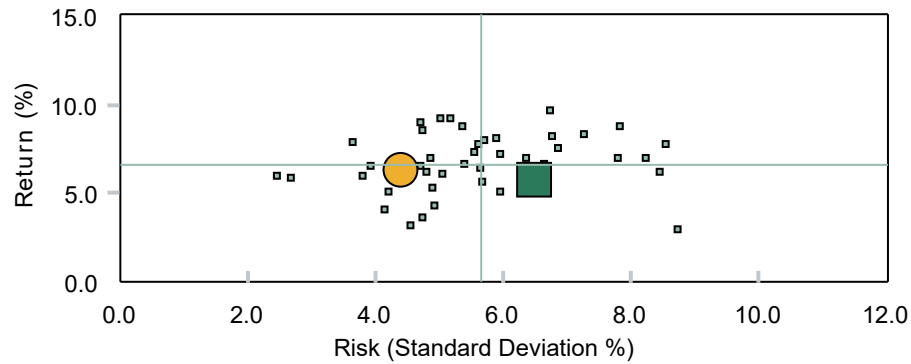
Rolling Return and Tracking Error



City of Rockville Retiree Benefit Trust

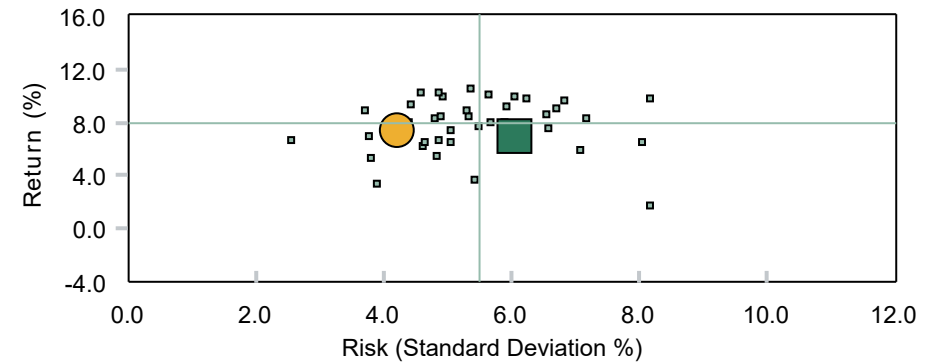
Total Composite  
As of June 30, 2018

Risk & Return Plan Sponsor — 3 Years



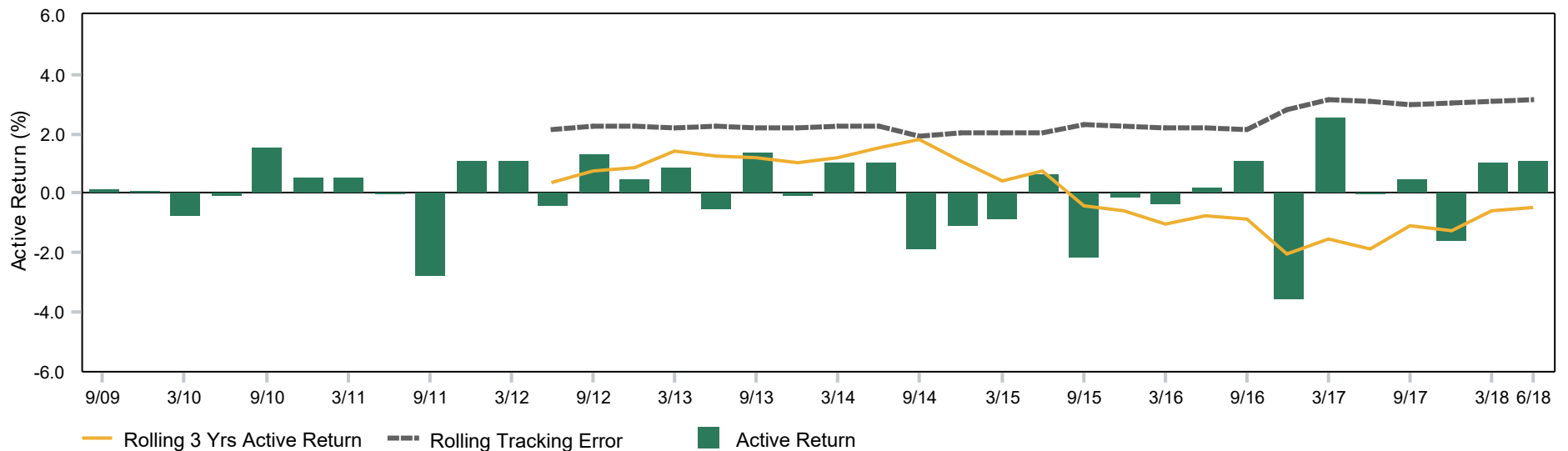
	Return	Standard Deviation
Total Fund	5.67	6.50
Policy Index	6.26	4.42
Median	6.61	5.65

Risk & Return Plan Sponsor — 5 Years



	Return	Standard Deviation
Total Fund	6.94	6.06
Policy Index	7.30	4.23
Median	7.99	5.49

Rolling Return and Tracking Error

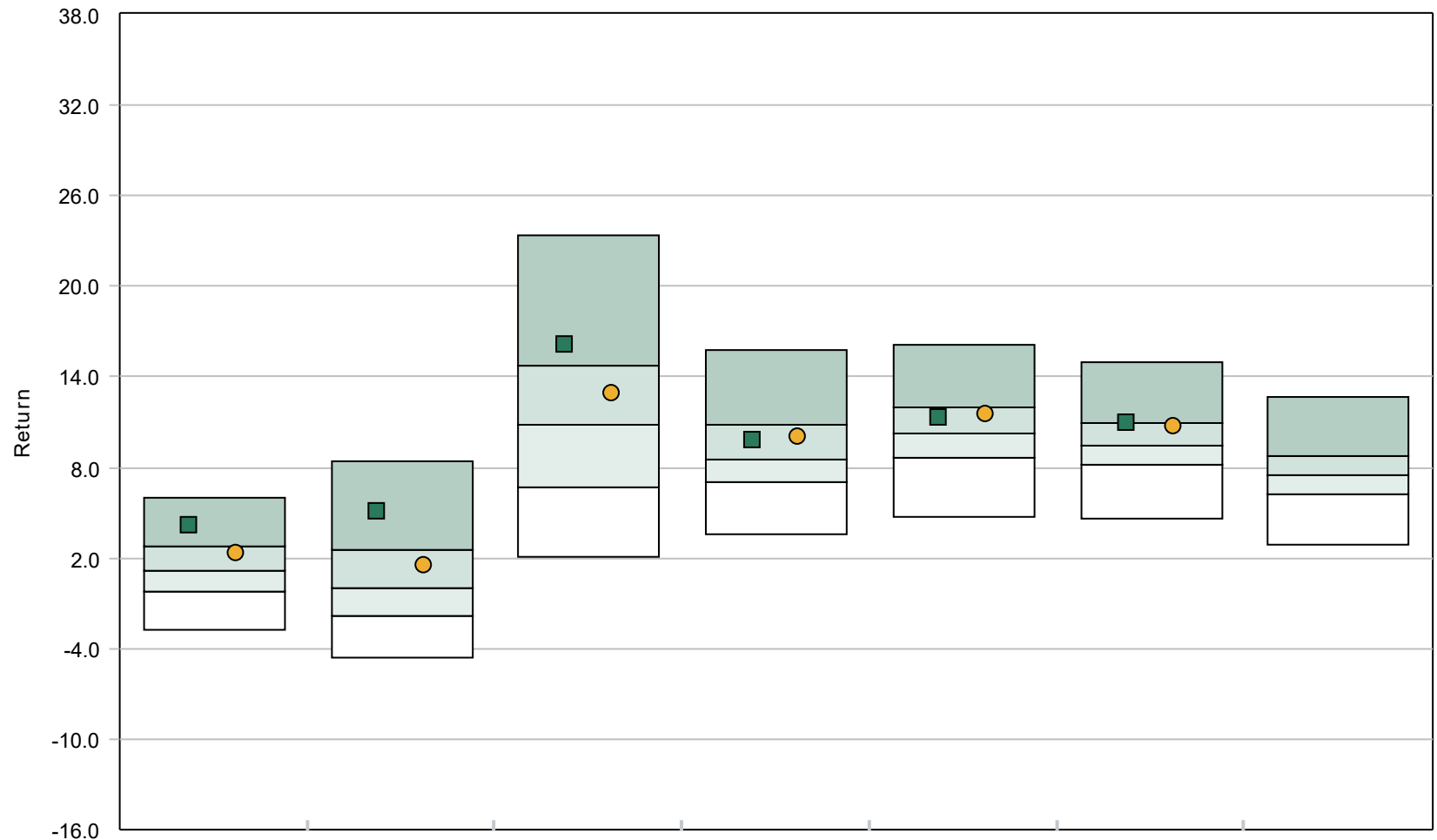


Policy Index	Weight (%)
Jul-2009	
Russell 3000 Index	40.00
MSCI AC World ex USA (Net)	15.00
Blmbg. Barc. U.S. Aggregate	45.00

City of Rockville Retiree Benefit Trust

IM Global Equity (SA+CF)

As of June 30, 2018



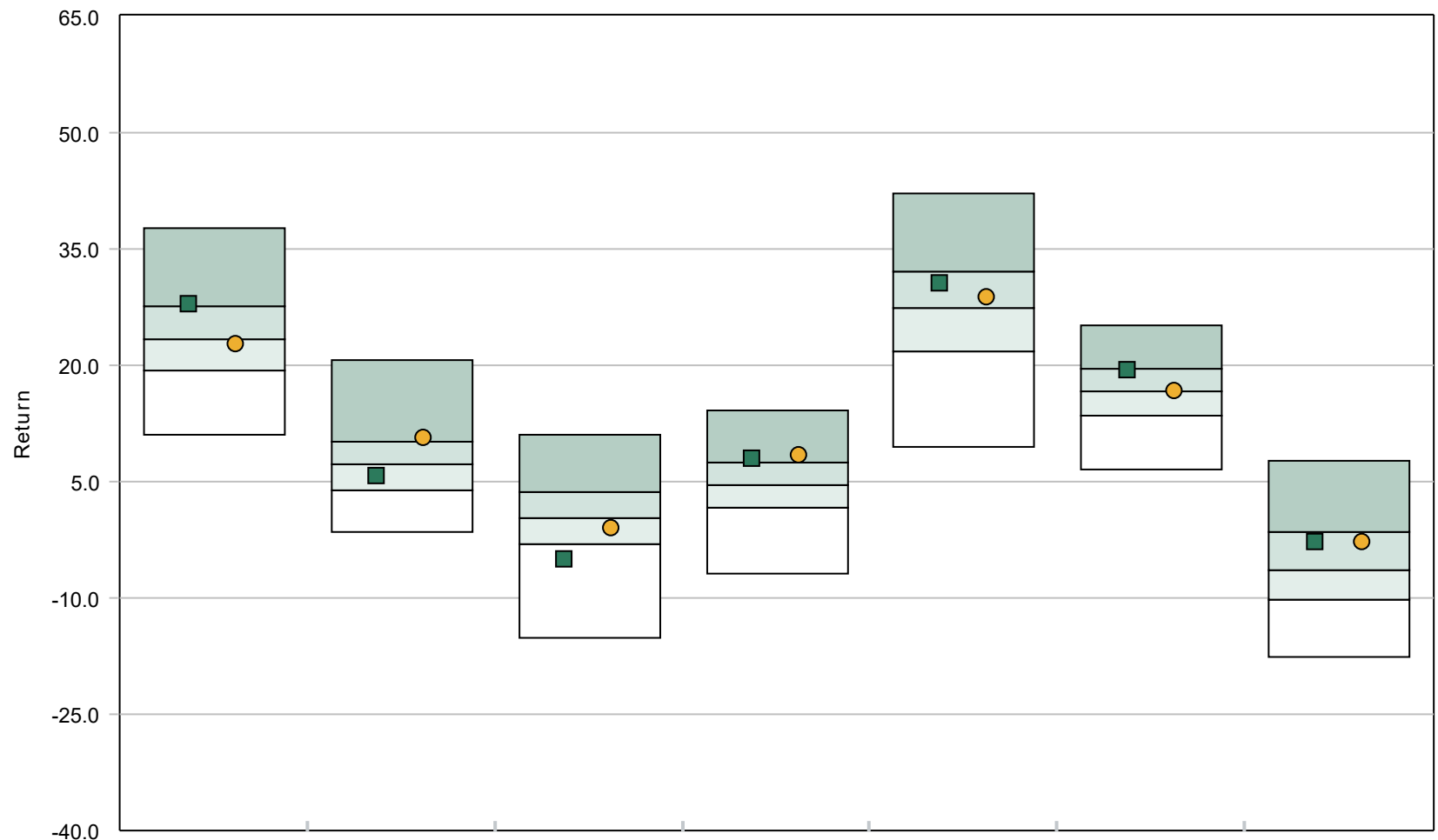
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Global Equity Segment	4.10 (12)	5.06 (13)	16.08 (21)	9.83 (33)	11.30 (35)	10.96 (25)	N/A
● Equity Policy Index	2.26 (31)	1.46 (35)	12.90 (34)	9.97 (31)	11.48 (32)	10.70 (29)	N/A
5th Percentile	5.98	8.40	23.36	15.81	16.09	14.92	12.69
1st Quartile	2.75	2.59	14.76	10.78	12.02	10.95	8.78
Median	1.11	0.05	10.80	8.55	10.24	9.45	7.46
3rd Quartile	-0.26	-1.81	6.65	7.02	8.61	8.19	6.19
95th Percentile	-2.74	-4.62	2.07	3.55	4.77	4.63	2.86

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

City of Rockville Retiree Benefit Trust

IM Global Equity (SA+CF)

As of June 30, 2018



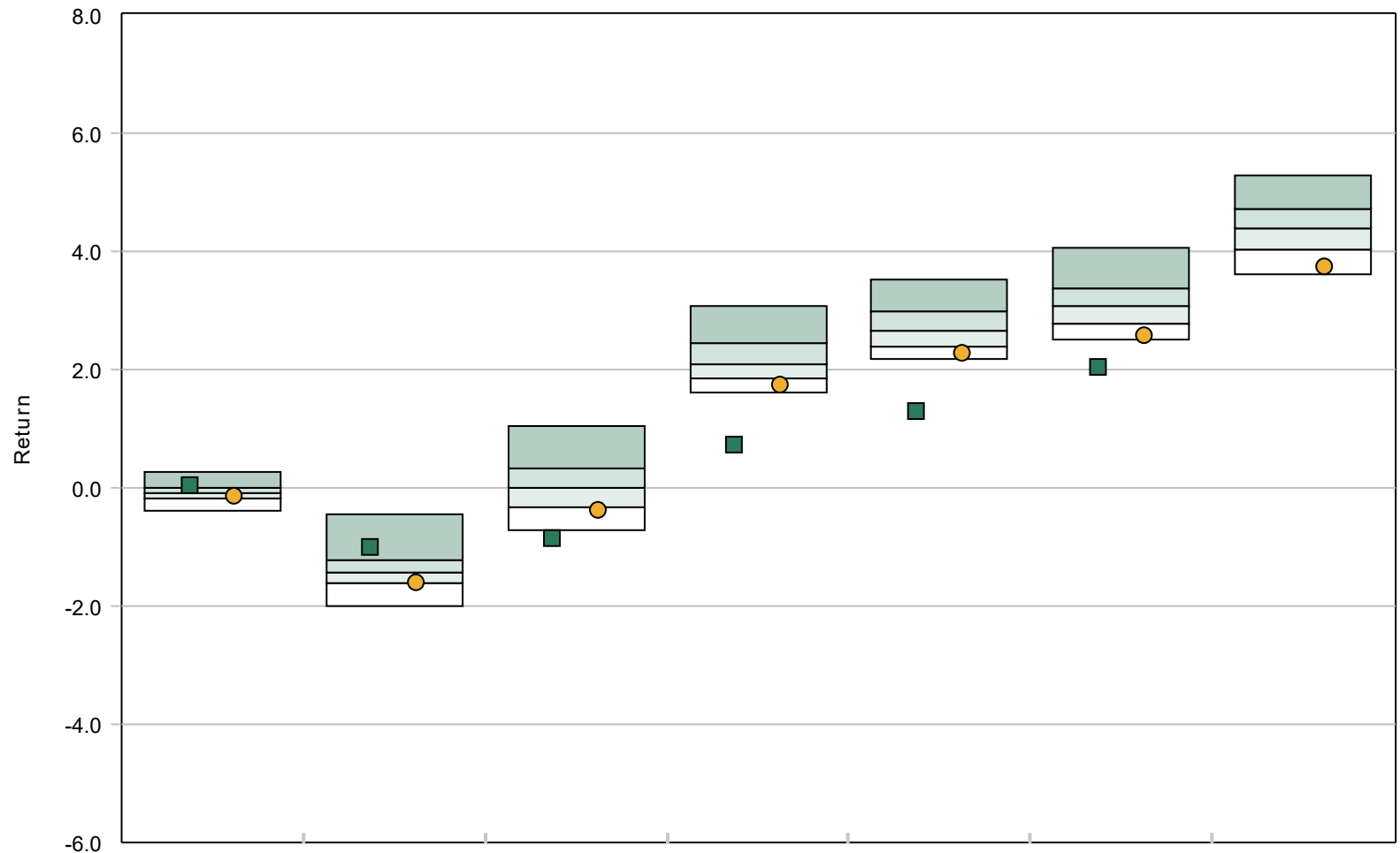
■ Global Equity Segment  
● Equity Policy Index

	2017	2016	2015	2014	2013	2012	2011
Global Equity Segment	27.82 (25)	5.59 (63)	-4.98 (83)	7.99 (23)	30.49 (33)	19.27 (27)	-2.77 (31)
Equity Policy Index	22.65 (55)	10.69 (23)	-1.04 (63)	8.26 (21)	28.83 (42)	16.60 (52)	-2.82 (32)

5th Percentile	37.72	20.63	11.02	14.17	42.18	25.23	7.64
1st Quartile	27.69	10.19	3.73	7.50	32.13	19.54	-1.58
Median	23.25	7.14	0.23	4.48	27.45	16.75	-6.35
3rd Quartile	19.37	3.90	-3.00	1.66	21.76	13.55	-10.22
95th Percentile	11.13	-1.48	-15.15	-6.78	9.54	6.52	-17.70

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

Policy Index	Weight (%)
Jul-2009	
Russell 3000 Index	75.00
MSCI AC World ex USA (Net)	25.00



■ Bond Segment

● Blmbg. Barc. U.S. Aggregate

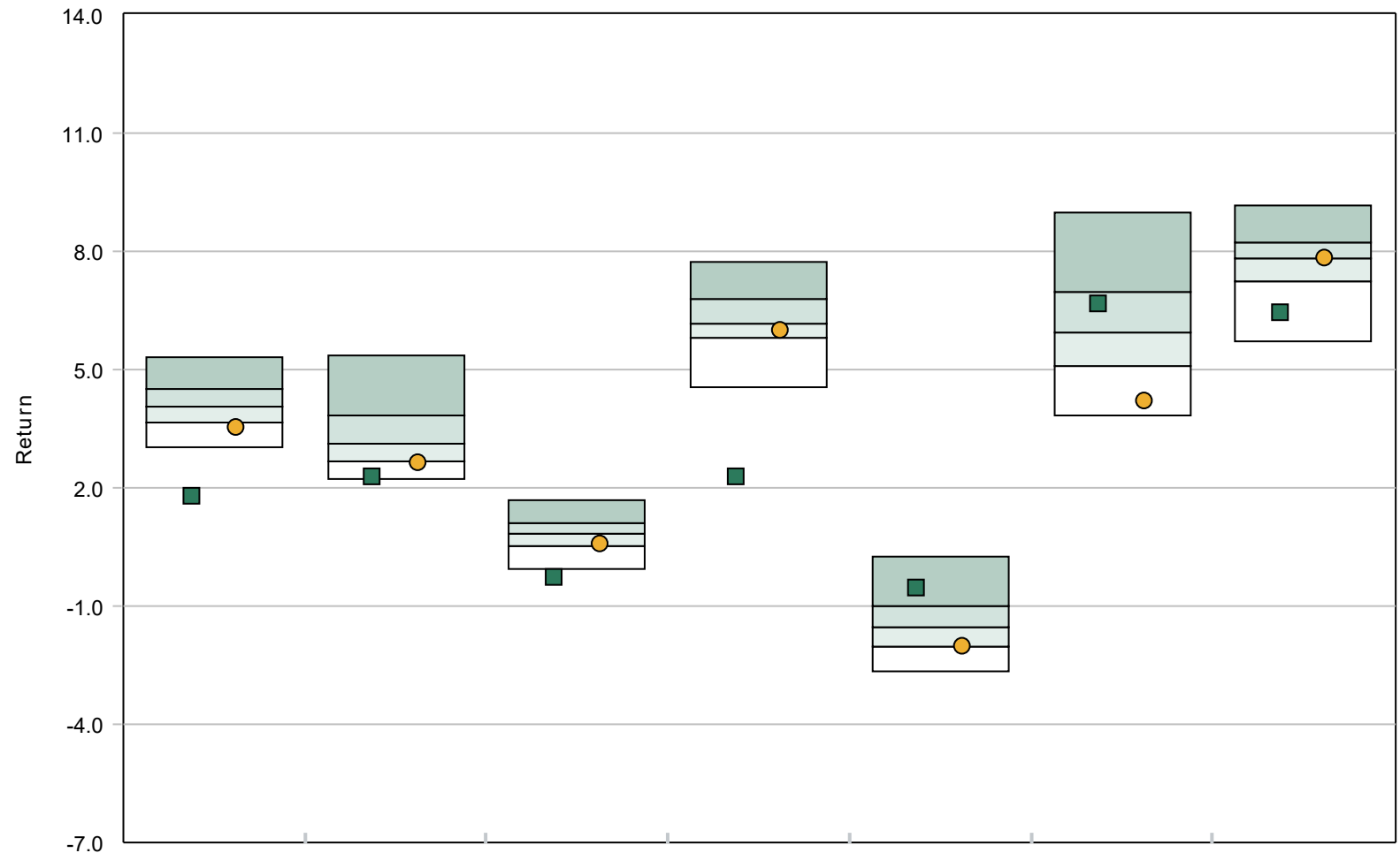
5th Percentile	0.27	-0.43	1.06	3.06	3.53	4.05	5.30
1st Quartile	0.01	-1.23	0.34	2.44	2.99	3.38	4.71
Median	-0.09	-1.44	0.00	2.09	2.67	3.07	4.39
3rd Quartile	-0.16	-1.62	-0.33	1.85	2.40	2.77	4.03
95th Percentile	-0.38	-2.01	-0.70	1.60	2.19	2.51	3.62

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

City of Rockville Retiree Benefit Trust

IM U.S. Broad Market Core Fixed Income (SA+CF)

As of June 30, 2018



■ Bond Segment

● Blmbg. Barc. U.S. Aggregate

	2017	2016	2015	2014	2013	2012	2011
	1.77 (100)	2.28 (94)	-0.27 (99)	2.27 (100)	-0.53 (14)	6.68 (28)	6.44 (90)
	3.54 (85)	2.65 (77)	0.55 (74)	5.97 (67)	-2.02 (74)	4.21 (91)	7.84 (51)
5th Percentile	5.32	5.37	1.67	7.73	0.23	9.00	9.15
1st Quartile	4.50	3.82	1.10	6.79	-1.01	6.99	8.24
Median	4.05	3.10	0.82	6.17	-1.56	5.93	7.84
3rd Quartile	3.65	2.65	0.53	5.81	-2.05	5.10	7.24
95th Percentile	3.04	2.22	-0.07	4.55	-2.64	3.85	5.71

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

## City of Rockville Retiree Benefit Trust

## Schedule of Investable Assets

Since Inception Ending June 30, 2018

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return
From 07/2009	1,323,956	-806	199,190	1,522,340	14.65
2010	1,522,340	233,661	230,295	1,986,296	13.13
2011	1,986,296	722,914	-4,425	2,704,785	0.58
2012	2,704,785	250,673	390,815	3,346,273	13.73
2013	3,346,273	1,198,721	618,653	5,163,647	15.65
2014	5,163,647	408,388	318,451	5,890,485	6.02
2015	5,890,485	380,730	-138,612	6,132,603	-2.80
2016	6,132,603	297,794	242,359	6,672,756	4.25
2017	6,672,756	370,800	1,020,706	8,064,262	15.30
To 06/2018	8,064,262	-276,147	174,973	7,963,088	2.19

Gain/Loss includes income received and change in accrued income for the period.

City of Rockville Retiree Benefit Trust

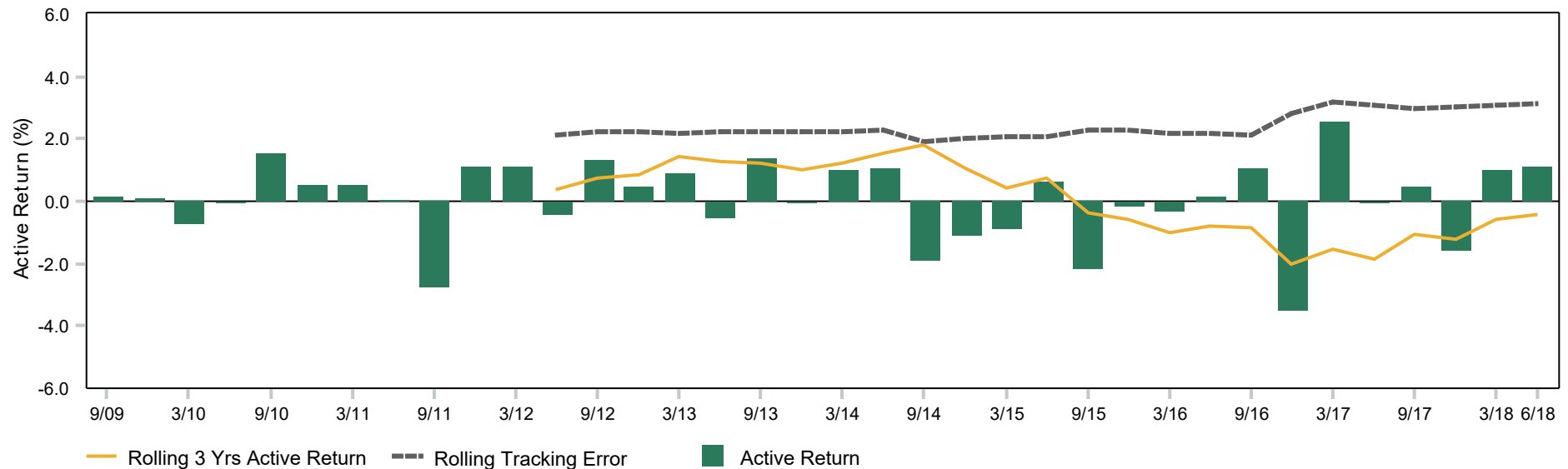
Manning & Napier

As of June 30, 2018

Gain / Loss

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Manning & Napier					
Beginning Market Value	8,040,590	8,064,262	7,038,912	5,704,600	4,279,590
Net Cash Flows	-252,809	-276,147	347,731	1,030,329	1,608,715
Income	36,502	62,048	135,159	394,685	604,876
Gain/Loss	138,807	112,925	441,287	833,474	1,469,908
Ending Market Value	7,963,088	7,963,088	7,963,088	7,963,088	7,963,088

Rolling Return and Tracking Error



Performance

	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Manning & Napier	2.19	2.19	7.81	5.67	6.94	6.90	N/A
Policy Index	1.08	0.05	6.73	6.26	7.30	7.06	N/A
Difference	1.11	2.14	1.08	-0.59	-0.36	-0.16	N/A

City of Rockville Retiree Benefit Trust

Manning & Napier

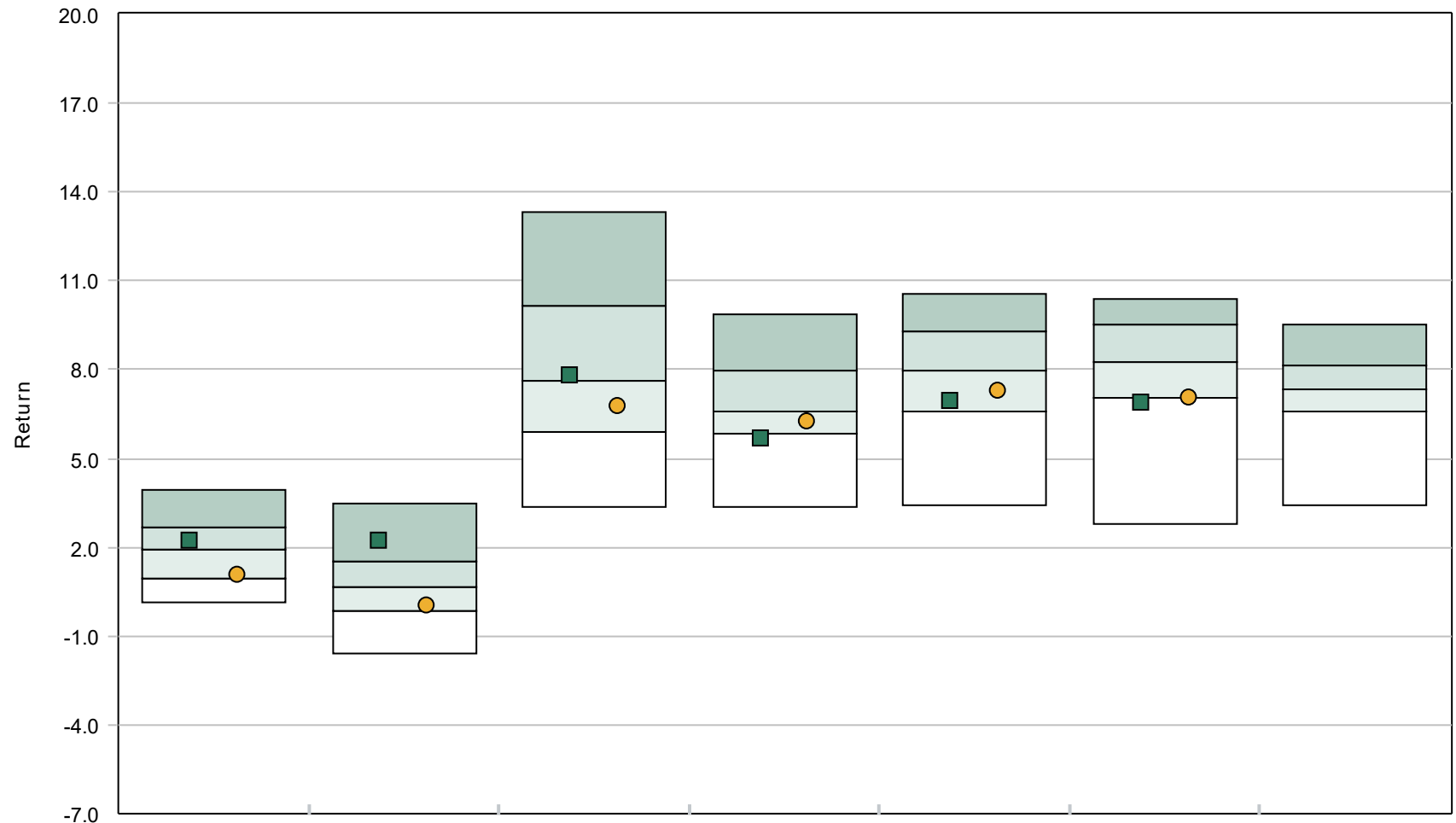
As of June 30, 2018

Segments	Market Value (\$)	Allocation (%)
Global Equity	4,176,901	52.45
Domestic Fixed Income	3,605,976	45.28
Cash Equivalent	180,212	2.26

City of Rockville Retiree Benefit Trust

IM U.S. Balanced (SA+CF)

As of June 30, 2018



■ Manning & Napier  
● Policy Index

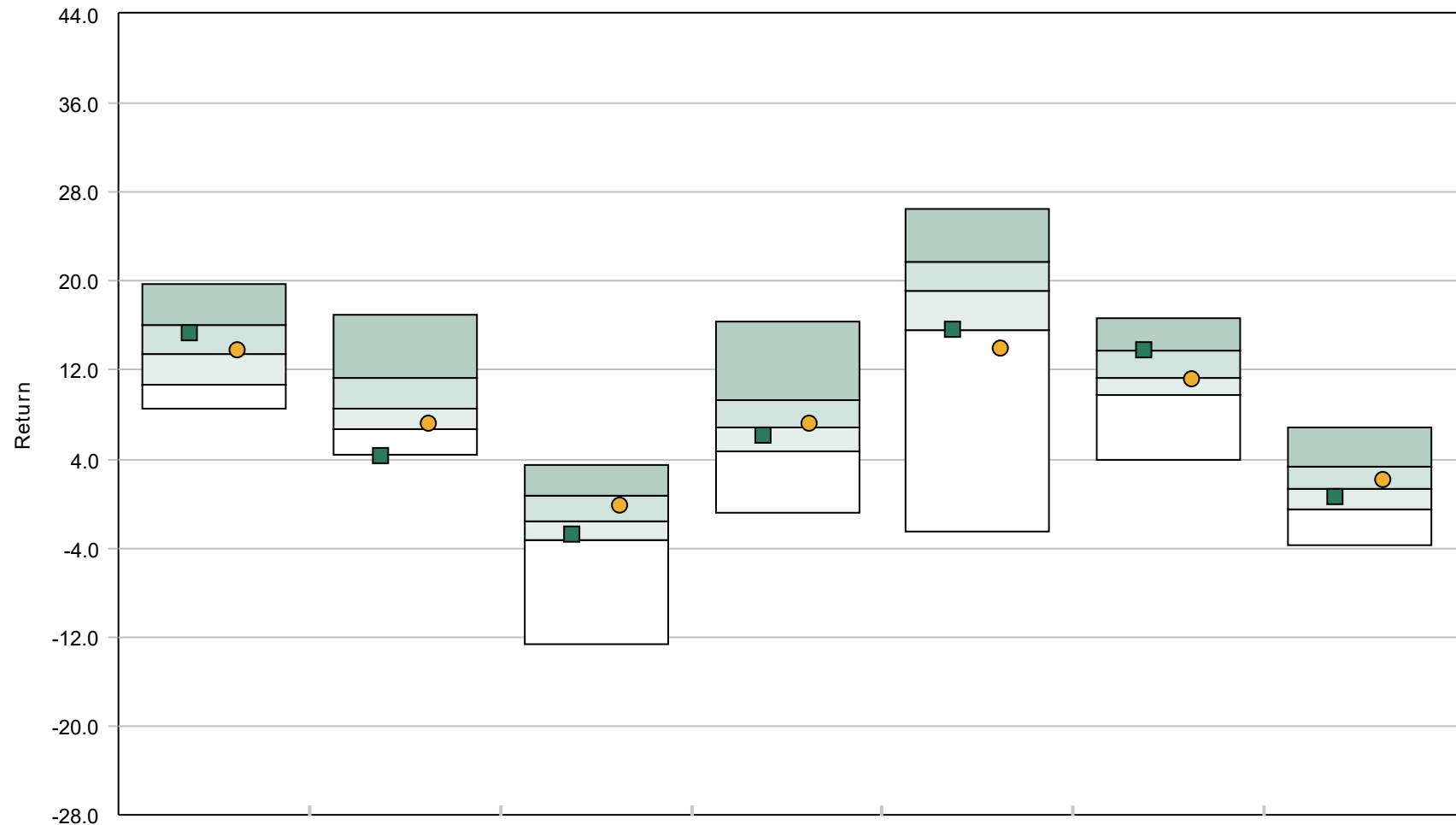
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
	2.19 (46)	2.19 (17)	7.81 (46)	5.67 (77)	6.94 (69)	6.90 (78)	N/A
	1.08 (73)	0.05 (70)	6.73 (64)	6.26 (61)	7.30 (66)	7.06 (75)	N/A
5th Percentile	3.95	3.47	13.35	9.88	10.58	10.38	9.51
1st Quartile	2.65	1.52	10.16	8.00	9.28	9.55	8.14
Median	1.91	0.67	7.65	6.61	7.99	8.25	7.32
3rd Quartile	0.97	-0.14	5.91	5.84	6.58	7.04	6.60
95th Percentile	0.11	-1.58	3.34	3.37	3.40	2.76	3.40

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

City of Rockville Retiree Benefit Trust

IM U.S. Balanced (SA+CF)

As of June 30, 2018



■ Manning & Napier  
● Policy Index

	2017	2016	2015	2014	2013	2012	2011
Manning & Napier	15.30 (33)	4.25 (96)	-2.80 (71)	6.02 (61)	15.65 (75)	13.73 (30)	0.58 (61)
Policy Index	13.77 (48)	7.09 (69)	-0.18 (35)	7.10 (46)	13.85 (79)	11.09 (55)	2.05 (41)

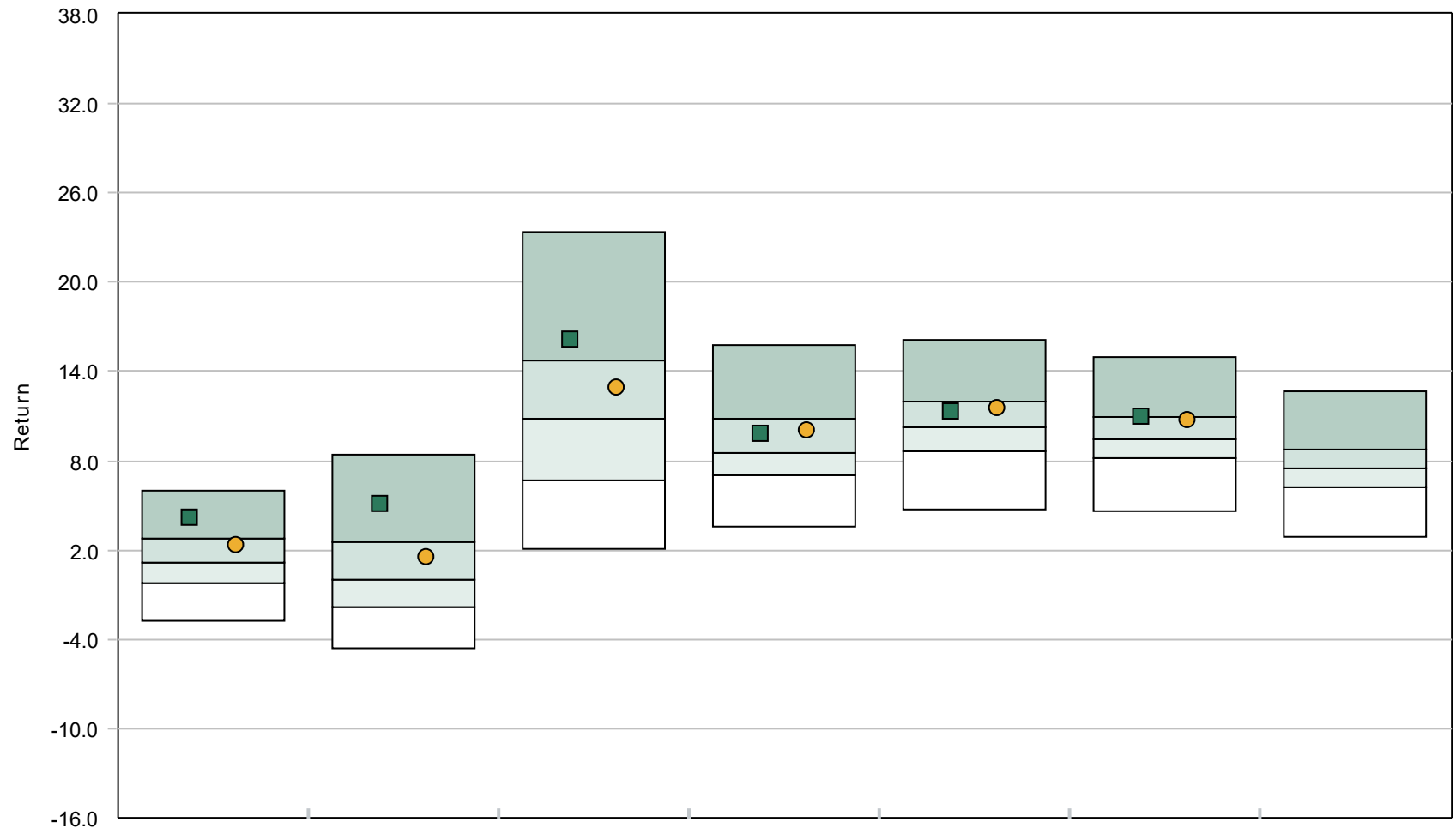
5th Percentile	19.81	16.91	3.47	16.30	26.54	16.66	6.84
1st Quartile	15.99	11.30	0.71	9.25	21.81	13.83	3.27
Median	13.53	8.49	-1.52	6.92	19.17	11.33	1.32
3rd Quartile	10.73	6.71	-3.27	4.68	15.61	9.80	-0.49
95th Percentile	8.56	4.34	-12.70	-0.82	-2.55	3.93	-3.73

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

City of Rockville Retiree Benefit Trust

IM Global Equity (SA+CF)

As of June 30, 2018



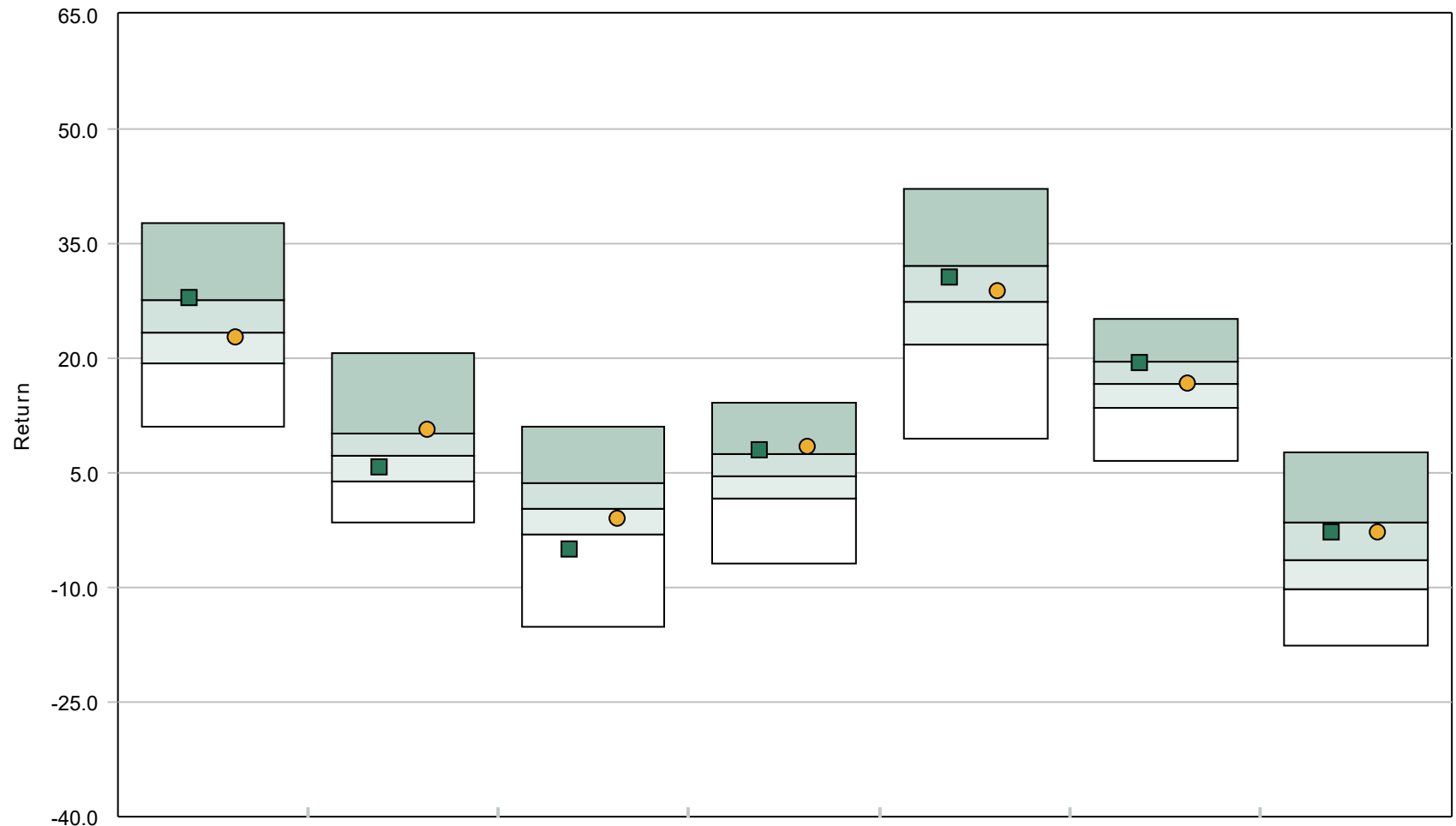
	1 Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
■ Manning & Napier	4.10 (12)	5.06 (13)	16.08 (21)	9.83 (33)	11.30 (35)	10.96 (25)	N/A
● Equity Policy Index	2.26 (31)	1.46 (35)	12.90 (34)	9.97 (31)	11.48 (32)	10.70 (29)	N/A
5th Percentile	5.98	8.40	23.36	15.81	16.09	14.92	12.69
1st Quartile	2.75	2.59	14.76	10.78	12.02	10.95	8.78
Median	1.11	0.05	10.80	8.55	10.24	9.45	7.46
3rd Quartile	-0.26	-1.81	6.65	7.02	8.61	8.19	6.19
95th Percentile	-2.74	-4.62	2.07	3.55	4.77	4.63	2.86

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

City of Rockville Retiree Benefit Trust

IM Global Equity (SA+CF)

As of June 30, 2018

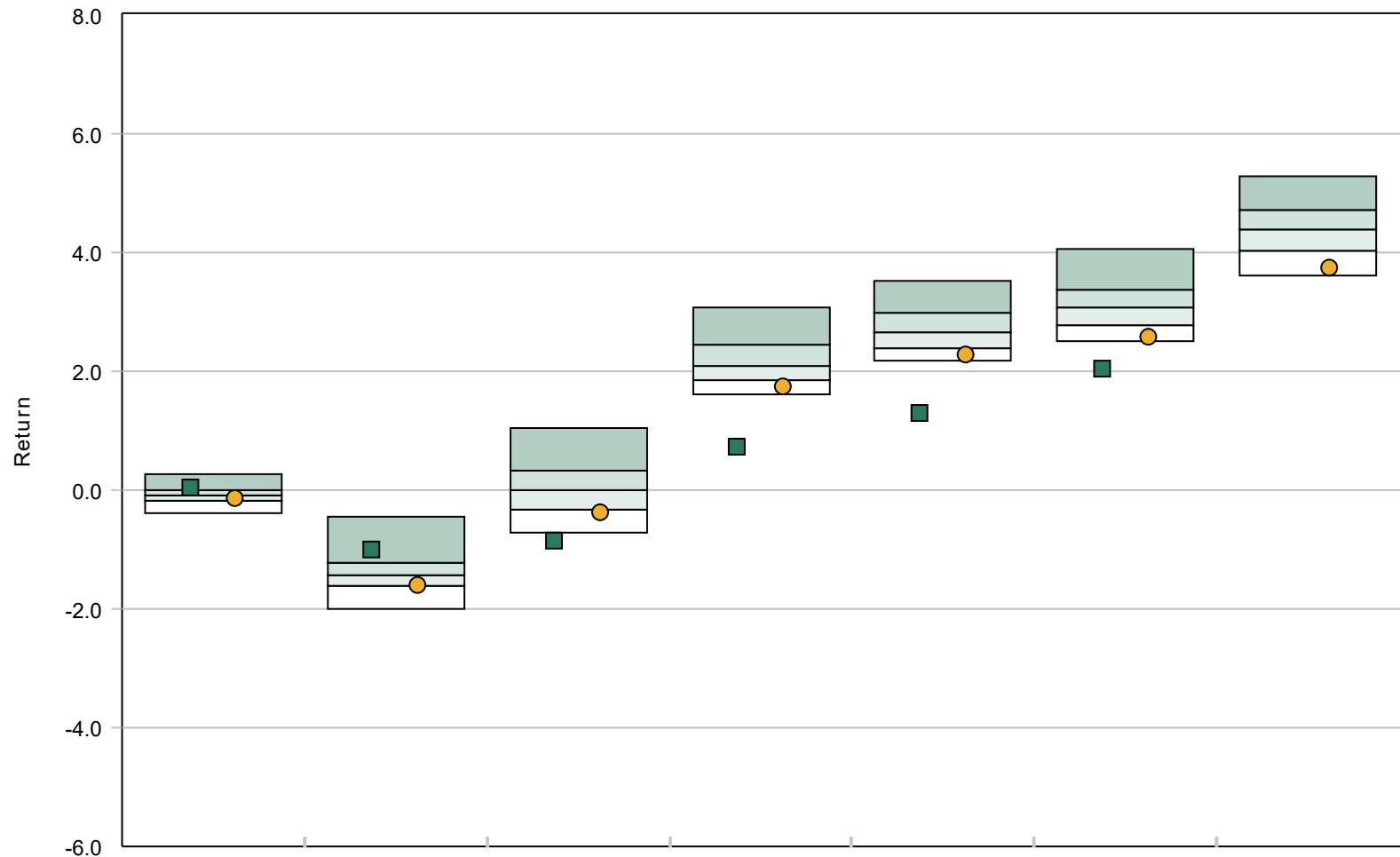


■ Manning & Napier  
● Equity Policy Index

	2017	2016	2015	2014	2013	2012	2011
Manning & Napier	27.82 (25)	5.59 (63)	-4.98 (83)	7.99 (23)	30.49 (33)	19.27 (27)	-2.77 (31)
Equity Policy Index	22.65 (55)	10.69 (23)	-1.04 (63)	8.26 (21)	28.83 (42)	16.60 (52)	-2.82 (32)

5th Percentile	37.72	20.63	11.02	14.17	42.18	25.23	7.64
1st Quartile	27.69	10.19	3.73	7.50	32.13	19.54	-1.58
Median	23.25	7.14	0.23	4.48	27.45	16.75	-6.35
3rd Quartile	19.37	3.90	-3.00	1.66	21.76	13.55	-10.22
95th Percentile	11.13	-1.48	-15.15	-6.78	9.54	6.52	-17.70

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



■ Manning & Napier

● Blmbg. Barc. U.S. Aggregate

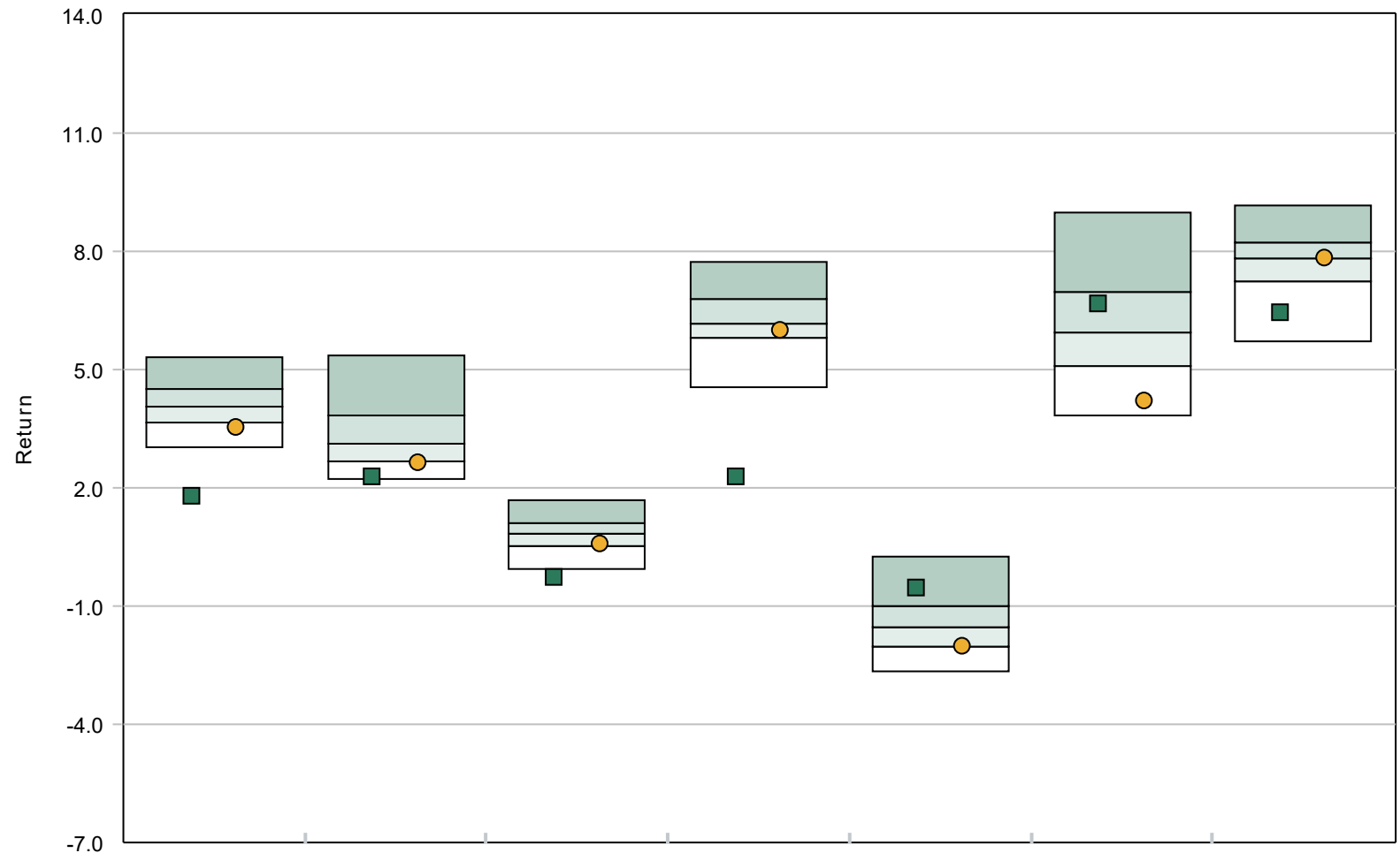
5th Percentile	0.27	-0.43	1.06	3.06	3.53	4.05	5.30
1st Quartile	0.01	-1.23	0.34	2.44	2.99	3.38	4.71
Median	-0.09	-1.44	0.00	2.09	2.67	3.07	4.39
3rd Quartile	-0.16	-1.62	-0.33	1.85	2.40	2.77	4.03
95th Percentile	-0.38	-2.01	-0.70	1.60	2.19	2.51	3.62

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

City of Rockville Retiree Benefit Trust

IM U.S. Broad Market Core Fixed Income (SA+CF)

As of June 30, 2018



■ Manning & Napier

● Blmbg. Barc. U.S. Aggregate

5th Percentile

1st Quartile

Median

3rd Quartile

95th Percentile

2017	2016	2015	2014	2013	2012	2011
1.77 (100)	2.28 (94)	-0.27 (99)	2.27 (100)	-0.53 (14)	6.68 (28)	6.44 (90)
3.54 (85)	2.65 (77)	0.55 (74)	5.97 (67)	-2.02 (74)	4.21 (91)	7.84 (51)
5.32	5.37	1.67	7.73	0.23	9.00	9.15
4.50	3.82	1.10	6.79	-1.01	6.99	8.24
4.05	3.10	0.82	6.17	-1.56	5.93	7.84
3.65	2.65	0.53	5.81	-2.05	5.10	7.24
3.04	2.22	-0.07	4.55	-2.64	3.85	5.71

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.

Fee Analysis

Investment Manager	Asset Class	Market Value	Estimated Annual Fee (\$)	Annual Fee (%)
Manning & Napier Long-Term Growth	Balanced	\$7,963,088	\$59,723	0.75
		\$7,963,088	\$59,723	0.75

**RETIRMENT BOARD MEETING  
SEPTEMBER 7, 2018**

**AGENDA ITEM IV**

**PLAN ACCESS**



## MEMORANDUM

September 7, 2018

TO: Retirement Board

FROM: Gavin Cohen, Executive Secretary

SUBJECT: Plan Access

### **Recommendation**

Staff recommends that the Board discuss and provide direction as needed.

### **Background and Discussion**

At the Board meeting held on June 1, 2018, the Board requested information on which City staff have access to information at Mass Mutual.

Gavin Cohen, Director of Finance - Administrator

Tim Peifer, Financial Systems Manager – Backup Administrator

Daisy Harley, Benefits Manager – Full Plan and Participant level access

Carey Kurnaz, Payroll Supervisor – Plan Level Access Only

Sharon Collins, Senior Accountant – Plan Level Access Only

Each staff person has access as assigned by the administrator. The Security Application is attached that is utilized to provide access.

Attachments: Security Application for Total Retirement Center



Massachusetts Mutual Life Insurance Company  
and affiliated companies  
Springfield, MA 01111-0001  
www.massmutual.com/retire

Security Application for  
Total Retirement Center

Contract Number:

By directing MassMutual to provide individual(s) with access to plan information and/or to conduct transactions on behalf of the plan, contract holder assumes sole responsibility for ensuring that such individuals are in fact authorized to receive such information and, if applicable, to conduct such transactions. **It is the contract holder's responsibility to notify MassMutual in the event that any individual is no longer authorized to have such access or conduct such transactions.** In no event will MassMutual be liable for harm to the plan or any person resulting from access granted pursuant to this form.

<input type="checkbox"/> New Member	<input type="checkbox"/> Update Member	<input type="checkbox"/> Remove Member
<b>Sponsor Information</b>		
COMPANY NAME	AUTHORIZING PERSON (Please print name)	
AUTHORIZED SIGNATURE	DATE	
<b>User Information</b>		
FULL NAME (Printed)	SOCIAL SECURITY NUMBER	
USER SIGNATURE	EMAIL ADDRESS	

**This application is for:**

☐ Sponsor

☐ Broker/Agent

☐ TPA

*Please provide current user ID if you are updating existing access (New User ID's will be assigned by MassMutual).*

**This application covers:**

**Note: Subset level access is restricted to participant data only.**

Plan #	Subscriber #	Subset #

(625) Account Information	No Access	Read Only	Update
(612), (615), (655), (2001), & (2615) Basic TRC Access	—	✓	—
(9) Termination/Retirement Notification *	<input type="checkbox"/>	—	<input type="checkbox"/>
(156) Data Exchange File Transfer	<input type="checkbox"/>	—	<input type="checkbox"/>
(197) Custom Portfolio	<input type="checkbox"/>	—	<input type="checkbox"/>
(616) Plan Sponsor Messaging	<input type="checkbox"/>	—	<input type="checkbox"/>
(618) Usage Statistics *	<input type="checkbox"/>	—	<input type="checkbox"/>
(631) Contribution File Transfer	<input type="checkbox"/>	—	<input type="checkbox"/>
(632) Loans Outstanding Report *	<input type="checkbox"/>	<input type="checkbox"/>	—
(633) Missing Investment Directions Report *	<input type="checkbox"/>	<input type="checkbox"/>	—
(634) Participants w/Scheduled Payouts Report *	<input type="checkbox"/>	<input type="checkbox"/>	—
(635) Eligible Employees Report (Automated Services)*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(636) Participants w/ISW Suspensions Report (Automated Services)*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(637), (2637) Financial Summary Rpts – Plan	<input type="checkbox"/>	<input type="checkbox"/>	—
(638), (2638) Financial Summary Rpts – Subscriber	<input type="checkbox"/>	<input type="checkbox"/>	—
(643) RetireSMART <sup>SM</sup> Asset Advisor Distribution Rpt.*	<input type="checkbox"/>	<input type="checkbox"/>	—
(644) RetireSMART <sup>SM</sup> Asset Advisor Dist. Rpt. (NPI) (Agent Access Only)*	<input type="checkbox"/>	<input type="checkbox"/>	—
(646) Create Your Own Report (CYOR)*	<input type="checkbox"/>	<input type="checkbox"/>	—
(654) Preferences	<input type="checkbox"/>	—	<input type="checkbox"/>

Return the completed form to P.O. Box 219007, Kansas City, MO 64121-9007  
OR email electronic copy to [rscsoprocessing@massmutual.com](mailto:rscsoprocessing@massmutual.com)



Massachusetts Mutual Life Insurance Company  
and affiliated companies  
Springfield, MA 01111-0001  
www.massmutual.com/retire

Contract Number: .

Account Information	No Access	Read Only	Update
(660) Salary Deferral Changes Listing (Automated Services)*	<input type="checkbox"/>	—	<input type="checkbox"/>
(661) Loan Initiation Listing (Automated Services)*	<input type="checkbox"/>	—	<input type="checkbox"/>
(662) Enter Eligibles List (Automated Services)*	<input type="checkbox"/>	—	<input type="checkbox"/>
(670) Loan Monitoring Report*	<input type="checkbox"/>	—	<input type="checkbox"/>
(671) Closed Loans Event*	<input type="checkbox"/>	<input type="checkbox"/>	—
(677) PlanSmart Analysis Rpt.*	<input type="checkbox"/>	—	<input type="checkbox"/>
(679) Managed Accounts*	<input type="checkbox"/>	<input type="checkbox"/>	—
(1063) Statement Contract Level Logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(1064) Statement Plan/Subscription Level Logo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2550) Fee Disclosure – Sponsor (DC)	<input type="checkbox"/>	—	<input type="checkbox"/>
(2574) Deferral Limits Report	<input type="checkbox"/>	—	<input type="checkbox"/>
<b>Please note: Starred (*) activity ID's require basic participant level access and will be provisioned.</b>			
<b>(622) Participant Information</b>			
(2) Loan Info & Initiation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Account Transfers	<input type="checkbox"/>	—	<input type="checkbox"/>
(19) Deferral % Maintenance (Automated Services)	<input type="checkbox"/>	—	<input type="checkbox"/>
(20) Enrollments (Automated Services)	<input type="checkbox"/>	—	<input type="checkbox"/>
(21) Address Update	<input type="checkbox"/>	—	<input type="checkbox"/>
(300) Plan Year End Census	<input type="checkbox"/>	<input type="checkbox"/>	—
(612), (605) Profile Data & Account Balances	<input type="checkbox"/>	<input type="checkbox"/>	—
(606) Participant Statement View	<input type="checkbox"/>	—	<input type="checkbox"/>
(607) Participant Statement View – All	<input type="checkbox"/>	—	<input type="checkbox"/>
(621) Rebalancing	<input type="checkbox"/>	—	<input type="checkbox"/>
(630) Investment Selection % Maintenance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Return the completed form to P.O. Box 219007, Kansas City, MO 64121-9007  
OR email electronic copy to [rscsoprocessing@massmutual.com](mailto:rscsoprocessing@massmutual.com)

**RETIRMENT BOARD MEETING  
SEPTEMBER 7, 2018**

**AGENDA ITEM V**

**FUTURE AGENDAS**



## MEMORANDUM

September 7, 2018

TO: Retirement Board

FROM: Gavin Cohen, Executive Secretary

SUBJECT: Future Agendas

### **Recommendation**

Staff recommends that the Board discuss and provide direction on our upcoming meeting agenda.

### **Background and Discussion**

Below is a list of potential topics for Board discussion.

Pension Plans RFP

Plan Amendment Section 4.5 and Section 4.6

FY 2020 Pension Valuation Report

2019 Participant Education Calendar

2019 Meeting Calendar

Benefit Index – Funds held with Principal Financial Group

**NEXT MEETING DATE: NOVEMBER 30, 2018**